Investing in Wartime (page 13)

THE FINANCIAL POST

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Be Sure to Read

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The Nation's Business

Voluntary Service Not Bringing Results

There was an implied admission in the Commons speech of Hon. J. L. Ralston last week, that the present method of voluntary recruiting for the army has fallen down. The senior minister for defense emphasized the accomplishments of the past six months—105,773 enlistments in the three services, of which 59,502 were for the army. But he stated also that of the 37,000 men required since the recruiting drive of last summer, only 24,000 or a little over 50% had been obtained. Had figures been given as to the current rate of enlistment, the disparity would have been even greater.

It is inevitable that this totally unsatisfactory situation will continue and deteriorate now that the country has, superficially at least, reached "full" employment. Moreover, in future, as in the past, the cream of the volunteers will be taken by the Air Force, no matter how the respective needs of the services may vary.

So far, Mr. Ralston has not faced the issue as to how the growing and imperious need for manpower is to be met; how the proper division is to be made between the three services, and of equal importance, between those services and the war factories.

Mr. King has been wholly silent.

From an increasing number of Canadians of all classes comes the demand for "compulsory selective service."

What does that phrase mean?

The implication, over and over again, by those who use it, is that the government must accept responsibility for allocation of the nation's manpower for whatever tasks are necessary to win the war. It is not just a case of telling a man he must shoulder a rifle. Actually, the authorities must decide how the services of every man, and woman too, must best be utilized in winning the war. It may be in the armed services at home or overseas, it may be in the factory, it may be serving in some humble capacity at home.

This clearly is the issue that must be faced and faced without delay. Instead of meeting the challenge, too many of our leaders have remained silent or have tried to confuse the issue. Party leaders, both in government and opposition, have raised the bogey of "conscription," have nurtured and coddled the old feeling of 1917. There are those both in and out of parliament who have urged time and again the responsibility of political leaders to prepare Canadians for the day when inevitable compulsory service might be necessary. This has not been done. As a result the nation today faces a crisis and one that may grow desperate overnight, with a sudden change in the international situation.

After more than two years of war we are still not fully mobilized; still not prepared to take full advantage of any new opportunities; still not prepared to combat any sudden onslaught.

* * *

DOLLAR-A-YEAR MAN'S RESPONSIBILITY

Discussion following the resignation of Walter Zeller from the Department of National Services brings into sharp focus again the place of successful business executives in wartime government.

The Zeller correspondence so far revealed, indicates definitely a misunderstanding with the head of the department as to the range of authority conceded to the new position: All the unfortunate consequences could have been avoided if there had been a clear cut understanding as to the responsibility, before the job was accepted.

The elementary advice of never accepting responsibility without authority must hold for the businessman worth his salt, whether he goes into a privately owned organization or loans himself to the Dominion government at a dollar a year to direct some special piece of war work.

There can be no compromise with this first principle and neither is there any hope of getting any real work done if the power to do it is not forthcoming promptly. In certain cases, of course, authority may be extended gradually as confidence is established, but from the start there must always be a clear understanding as regards both duties and responsibilities.

If a special government position is taken or continued under any other basis, if, for instance, the businessman consoles himself with the thought that half a loaf is better than none and that things will eventually work themselves out, then there is going to be disappointment to both parties.

There will not only be waste and delay but an idea will be created in the public mind that businessmen are incapable of handling satisfactorily a government job.

* * *

THE CONSCRIPTION BOGEY

With a few notable exceptions, political leaders have declared that conscription would rend this country asunder, that it would generate fatal friction between various national groups, that more particularly, it would permanently estrange the French-speaking Canadians of Quebec.

That prediction is sharply challenged by outstanding representatives of the minority groups themselves.

J. H. Martineau made this assertion of his French-speaking compatriots in the Globe and Mail last week:

> For over twenty-four years, and increasingly so in the last few months, calculated efforts have made it appear that Quebec is in danger of being sunk through enforcement of conscription for service overseas.
>
> Greater nonsense was never uttered. The prophets of disaster, mean and narrow men ever searching for a target, wielding the black paint of prejudice, blotting out clean truth, base their forebodings wholly on hate and bitterness. They take no account of the one unpredictable factor—and the one that has more weight than all the rest combined—human conduct. Their story is the same monotonous repetitious collection of extravagant statements—the same appeals to emotions—the same careless exaggerations. I make no prophecy, but on the day a determined, well-equipped leader of poise and broad vision will have the intestinal fortitude to go upon every hill and down in every valley and tell Quebec: there will be no second prize in this war—that war, like cancer in the human body, makes no pledge with its victim—that this war will be won by man power, then on that day we will see conscription a bridge between Quebec and the rest of Canada.

A little later speaking deliberately to a Remembrance Day gathering in Holy Blossom Synagogue, Toronto, Rabbi Maurice Eisendrath declared:

> "Only under some form of compulsory military service for the battlefront or home front will we overcome the bitterness and bigotry which is even now sabotaging our war effort and befouling the atmosphere of Canada with its wild allegations against all French-Canadians and non-Anglo-Saxons; with its dastardly and damnable lies concerning the enlistment of Jews.
>
> "Only then will the mother or the father or the sweetheart or the wife of the man in uniform be appeased by the sure conviction that the neighbor's lad in civies has been officially assigned to other vital tasks, or is physically unfit."

Without conscription in the broadest sense of the term there can be no real and full mobilization of this country's manpower. The present system of asking each citizen to make his or her own choice based on whatever limited knowledge that citizen has of the national needs, is unfair and undemocratic. It will not permit us to make the fullest use of our armed and industrial resources.

There is bound to be waste, overlapping, and far more serious friction between various racial groups than if selective compulsory service is applied.

Instead of keeping alive the old 1917 bogey of military conscription, long ere this our leaders both in Quebec and elsewhere should have been preparing all Canadian citizens for the next and inevitable step in a total war.

Proxies For Massey Plan Flow Fast

Many Conflicting Claims Advanced — Protective Committee Gets Support Too

Proxies in favor of the plan of reorganization proposed by Massey-Harris Co. are coming in far better than might have been expected this far in advance of the meetings on Nov. 26 and 27, according to sources close to the company. It is characterized as "sweeping support" of the plan.

At the same time it is known that the common shareholders' protective committee is also getting support for its stand in opposition to the proposals, although how extensive this may be cannot be ascertained as yet.

The Massey-Harris common shareholders' protective committee has sent a protest to James S. Duncan, president of the company, over reports the committee states it has received from shareholders to the effect that the company's agents are being used to solicit proxies in favor of the reorganization plan. In an open letter to the company's directors, signed by H. G. Stapells, K.C., chairman, and Avern Pardoe, of the committee, the claim is made that "this adversely affects the business and goodwill of the company and represents an unfair practise for the company to take."

The letter goes on to state that "there are 7,000 common shareholders with an average holding of 50 common shares each. The unfair

(Continued on page 2, col. 6)

Canadian Tanks Begin to Roll

In summary of Canada's present war production, and future schedules, Hon. C. D. Howe, Minister of Munitions and Supply, told the House of Commons that early in 1942 Canadian factories would be turning out 200 medium tanks every month. Production started in June last, and has "steadily increased" the minister said. These are tanks at a recent War Savings drive exhibition.

Declares Die Cast for Strict Application of Price Control Plan

No Puncturing of Price Ceiling to be Allowed by Administration When Order Goes Into Effect on December 1

By KENNETH R. WILSON
Staff Writer, The Financial Post

OTTAWA.—The die has definitely been cast for the most rigid interpretation of the government's price fixing powers when the order becomes effective Dec. 1.

Business will be asked to be patient and keep the wheels turning, but there will have to be a slashing of profit margins all along the line to absorb higher costs wherever they appear. No relief may be expected in so far as puncturing the price ceiling is concerned, according to well-informed observers here.

Key man in administration of the price ceiling will be competent, hard-hitting Donald Gordon, on loan to the Wartime Prices and Trade Board from his regular job as deputy governor of the Bank of Canada. Mr. Donald was sought some weeks ago to be general manager of the price control programme but only a few days ago was his release obtained.

It is expected he will have as his assistant S. R. Noble, assistant general manager of the Royal Bank of Canada who has been sugar administrator to the Prices Board for the past two years.

Although considerable progress has been made in the past week in rounding out administrator personnel, there has been difficulty in reaching final decision as to how rigidly the price ceiling must be applied, at the outset, to all points in the manufacturing and distribution cycle.

Appointment of Donald . Gordon, deputy governor of the Bank of Canada, as associate chairman of the Wartime Prices and Trade Board is generally interpreted as a move toward toughening the resistance of the board to any changes whatever in the price level., Mr. Gordon is the man chiefly responsible for the introduction and effectiveness of the foreign exchange control straitjacket which has been in force now for over two years.

That particular control has been unswerving in its application, although when it was applied every effort was made to let financial and business institutions work out details of their own regulations so as to avoid too great a degree of inflexibility.

Most immediate problem facing the Wartime Prices Board is the controversial matter of time lag—sometimes as much as three to six months—between the purchase of raw materials and the sale of finished consumer goods.

Although the voice of small business has not yet made itself heard directly at Ottawa, it is contended that unless great care is exercised in application of the price ceiling, thousands of small concerns in various stages of the business cycle will find they ca only dispose of the goods they are already committed to buy at higher-than-ceiling prices.

By and large, it is probable that larger business organizations might be able to withstand the shock of such losses and would continue to manufacture, process or distribute merchandise even under rigid price control.

Unless there is a last-minute change of heart on the part of the board, it now appears that business firms all along the line must be prepared to absorb these losses and that the ceiling will be interpreted not merely as a "Stop" order as was originally intended, but as a rigid and inflexible strait-jacket to be applied indiscriminately right across the board.

Details of the new administrative setup are now being rounded out. Donald Gordon (originally suggested as general manager of the new control machinery) will probably take over the direction and administration of the programme.

C. I. O. Tries New Technique

Leaders Boast How They "Backed McLarty Down"

Lack of a clear-cut labor policy in Canada and continuance of Ottawa's "as the wind listeth" methods in dealing with industrial disputes is largely responsible for developments in the Kirkland Lake gold camp where miners in the eight most important producers voted last Saturday to strike, it is being widely charged.

Threaded through the pattern, too, is the first notice of a new union technique by which swift pressure was brought to bear on the Government to such a successful conclusion (from a C. I. O. viewpoint) that a union speaker boasted over the radio of how "McLarty backed down."

To understand the Kirkland Lake developments they must be studied in chronological order. The crisis developed over the question of union recognition, with the 12 mines unanimously announcing they were unalterably opposed to that demand. The union as adamantly demanded it. The mines signed a document pledging their willingness to negotiate any other issue, such as wages, hours and so on. Despite recent order-in-council regulation, which apparently pegged wages in the camp, the union adopted a battlecry of "Union recognition means victory in the 10-point programme." Wages headed that programme.

On Nov. 3, after failure by government conciliation officers to bring the parties together, the union applied for a strike vote. The vote was granted by Hon. N. L. McLarty, Minister of Labor, for Nov. 8.

Electioneering went into full swing in the camp, with special releases of papers, handbills, radio speeches and so on. And the union openly announced it had assurance from Ottawa that a four-day strike would occur, after which Ottawa would step in and "take over control of the mines." The union's promise was that "Ottawa will ram recognition down the mines' throats."

As evidence of the extent of this talk, out of Ottawa came an announcement by Mr. McLarty that the government "had not considered such a policy" and that any such report was "entirely unwarranted and not founded on the facts."

The union, which had claimed 4,200 of the 4,680 miners as members and predicted a 90% strike vote, was upset. Gossip in the camp was that the men were thunderstruck, were going to vote no strike. Workers' councils in a couple of mines admitted that membership leaped suddenly, indicating loss of faith in the union's veracity.

Who Shall Vote?

Because the strike vote was to be taken under P. C. 7307, and was to be the first such action under that order, speculation developed in the camp as to who would be permitted to vote. The Act provides that those persons whose employment is liable to be affected should vote. The union then announced that "Mr. McLarty personally assures us that this means only those men who were first included in the Conciliation Board application," i.e., miners and surface laborers.

About 500 other employees, nearly all unskilled technicians, immediately charged that they were being disfranchised. They pointed out that the majority of the mines could not (and would not) carry them through a strike, that their jobs were imperilled.

On Friday, Nov. 7, Ottawa released to the press and the local radio station a copy of "Vote Regulations." It provided that all persons could vote except presidents, managers and boards of directors. Again the union's reputation took a drop and men openly expressed suspicion of its claims of "getting the inside dope from Ottawa." With voting to start at 6 a.m. on Saturday, Ottawa suddenly announced at 5 p.m., Friday, Nov. 7, that the regulations were being changed, that no shift bosses, mine captains, technical workers, office workers, managers and others of similar status should vote.

Result is Electric

The result was electric. Union handbills appeared announcing, "Labor Forces Government's Hand." Union meetings all over the camp took the "We-told-you-we-can-do-it" trend. And union leaders immediately asked this question: "How

(Continued on page 2, col 1)

Insurance Contest Entries Must Be In By Nov. 22

The Financial Post's insurance contest closes Nov. 22. All entries must be in by that date. A large number of entries have already been received, but there is still time to prepare an article on one or more of the four problems outlined in the announcement of the contest.

The wide interest in the competition is indicated by the numerous letters and enquiries received by The Post. One point that has been bothering some is how to represent the prospect, whether he should be given a fictitious name and the arguments presented in dialogue form or otherwise. The rules of the contest allow the entrants to use their own judgment in such matters.

The judging will be based on the soundness of the programme and the way it is presented.

Four prizes will be awarded, a first prize of $100 for the best article on any one of four problems submitted and a prize of $50 for the best article on each of the other three. For details of the contest write the contest editor.

Montreal Power Income Rises 9%

From Our Own Correspondent

MONTREAL.—Gross income of Montreal Light, Heat and Power Consold. is running well ahead of last year. If the rate of increase to the end of September is maintained during the last quarter, the company will likely show an increase of close to $2.5 millions in gross revenue. This would place income for the year at a level of between $29 millions and $30 millions; the largest ever experienced.

Because of substantially higher taxes very little of this increase will be reflected in higher share earnings. At this stage indications are share earnings for 1941 will be much the same as in 1940, when the company reported $1.77 a share.

Church, Hospital Building Deemed By the Government Part of Total War Effort

By STAFF WRITER

OTTAWA.—In at least one important field the government has abandoned a "total" war effort policy.

That field is the curbing of institutional civilian construction in order to release manpower and materials for the war effort and to provide a backing for postwar unemployment.

The available evidence shows clearly that the government has decided that the wholesale and unrestricted construction of churches, hospitals and educational institutions is more important at the present time than a total war effort.

The Financial Post is officially informed that the granting of a license to churches, schools or hospitals does not carry with it any priorities as to materials.

The story is this:

On May 16, 1941, by order-in-council P.C. 3481, the government set up a control authority to regulate all non-essential construction. On and after April 20, no one was to be allowed to erect or repair any edifice or building (above a nominal figure) without first obtaining a permit from the controller of civilian construction.

The purpose of such control was to free vital materials and supplies for the war effort and to provide a backlog of institutional and non-essential buildings of a type which would be readily available to take up unemployment slack, after the war.

Cut Into Big Plans

What happened?

This order cut deeply into the plans of certain important interests, and the government was induced to have it amended in certain vital particulars.

On June 17 (four weeks after the original order) a new order-in-council (P.C. 4320) was passed.

It exempted entirely four very important types of building which the original order had purported to control.

The order exempts:

"Any church, public hospital or educational institution, or any building the erection, maintenance or operation of which is directly or indirectly financed by, or which is operated under the control of the government or supervision of the government of any province of Canada."

This exemption was made retroactive to the date of the earlier order so that no restriction of any sort has been exercised on this type of building by the Controller of Civilian Construction.

Figures compiled by the monthly building review of MacLean Building Reports, Ltd., disclose that the amount of new contracts awarded for churches, schools and hospitals in the five months, May to September (inclusive) has totalled $10.2 millions.

Curiously, the order-in-council P.C. 4320 is ambiguous in one important respect. In the main exemption clause which is reprinted above, there appears no comma after the words "educational institution." Without the comma it would appear that the only "churches, public hospitals or education institutions" which are exempt from control are those which are financed or controlled by a provincial government.

Already this interpretation has been placed on the order by an official publication of the Department of Munitions and Supply published recently under the title "Priorities and Controls." This states erroneously that the exemption applies only to "churches, hospitals and educational institutions directly or indirectly financed by or controlled or supervised by a provincial government."

Enquiry with officials by The Financial Post confirms the fact that this is not the correct interpretation and that P.C. 4320 excludes from licensing, not only any buildings controlled financed or supervised by a provincial government but also ALL churches, hospitals and educational institutions.

One limiting factor which it is still within the power of individual wartime controllers to exercise is to refuse permission for release of such essential materials as steel, copper, etc., for use of such structures even if there is no control over the granting of a construction permit.

On the other hand, much of the materials and workmanship required to erect $10 millions of this type of building are of a kind which are required in some measure for the war effort.

Predicts That Output of Allied Ships Will Soon be Exceeding All Losses

By FLOYD S. CHALMERS,
Editor, The Financial Post

LONDON.—(By Cable)—A Canadian visiting blitzed but resolute Britain is this time impressed and not a little embarrassed by the kindly expressions on every hand, the profound gratitude of the British people for what Canada is doing in this war.

Queues of people are lining up at the still unbombed Odeon Theatre in Leicester Square to see the film "Forty-ninth Parallel," a film that is a magnificent tribute to the Canadian spirit. This is simply a reflection of the intensely eager interest in Canada at war—an interest that matches the impressive pride which all Canadians feel in the unbeatable spirit of Britain herself.

Everywhere one goes one sees Canadian soldiers, nurses, airmen, sailors.

Everywhere the people of Britain look on them as the shock troops defending their island against possible invasion attempt.

Canadian food is on every table. I lunched the other day with Lord Woolton, dynamically successful north country retail merchant, who has taken on Britain's most distasteful task, the food ministry, and who has won universal acclaim for the way he has handled the job. He told me that Canada today is the mainstay of the British table. He told me how much Britain appreciates the increased quantities of bacon, cheese, salmon, etc., which we have made available to the Old Country.

Today I chatted with a leading editor in Fleet Street. He said "Canada has telescoped two decades of advancement into two years of war. She has joined the very top circle of world nations and become a country whose voice will count in world affairs as never before."

Britain looks on Canada, too, as an important factor in the anti-submarine battle. It is not generally realized in Canada that the largest share of shipbuilding facilities in Britain are necessarily devoted to naval building and ship repair. Thus Britain must depend on Canada and America for merchant ships to keep food and munitions flowing to Britain and other battlefronts.

FLOYD S. CHALMERS

All actual figures are carefully safeguarded but admiralty officials and shipping men assure me that we are approaching the time when the new construction in the shipyards of Britain, United States and Canada will exceed losses from all causes.

I try to tell these splendid people here that the indebtedness is the other way; that we in Canada feel that what we have been able to do is trifling compared with the British effort; that we have not yet begun to appreciate the meaning of sacrifice as sacrifice is understood here. But they insist it is their right to express their gratitude to Canada. I have discussed with many people the wartime financial arrangements between Canada and Britain.

Curiously I find very few people even in the city who are well informed on this subject.

Those who do know the facts how we have bought sterling in almost unlimited amounts to enable Britain to pay for those supplies from Canada and that this is additional to our own direct war effort. These people feel the terms offered by Canada are most generous.

Ask them if they feel lend-lease gives them an easier method of buying in America than Canada and they say assuredly not.

Investors here regret the loss of their holdings of Canadian government bonds, but they regard the repatriation an inevitable consequence of the war.

But recent rumors that the Canadian government is considering asking the British treasury to vest Canadian Pacific shares held here—repatriating them for the account of the Canadian government—have caused some concern.

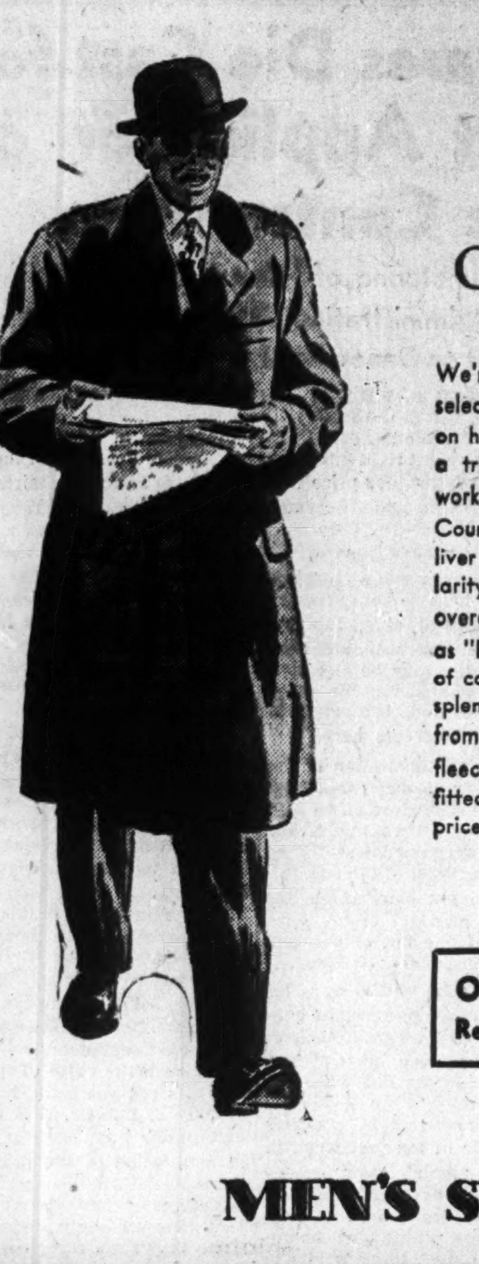
The Britisher is unconcerned whether or not it is wise for Canada to enlarge its problem in government ownership of the railways, but he feels intense pride in his ownership of Canadian Pacific shares and has the utmost confidence that he will some day again realize satisfactory return on his investment in the road he helped build and which in turn created Canada as a continent-spanning nation.

"It would be a thousand pities if the Can-

(Continued on page 2, col. 3)

FINE APPAREL MEN'S SHOP FOR MEN

When the 'Zero Hours' Come!



AT THE MEN'S SHOP, WIDE SELECTIONS OF IMPORTED & DOMESTIC

WINTER OVERCOATS

We're pardonably proud of the extensive selection of fine imported coats we have on hand this year . . . for each of them is a tribute to the perseverance of British workers and British seamen! Our Old Country suppliers have continued to "deliver the goods" with encouraging regularity . . . and you'll find on our racks overcoats bearing such respected labels as "Burberrys" and Carr's "Elysian". And, of course, there are well-rounded stocks of splendid Canadian-made coats, tailored from English woollens! There are all-wool fleeces and Melton finishes in raglan and fitted models . . . in sizes 36 to 44 . . . and priced all the way from

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MEN'S SHOP

EATON'S-COLLEGE STREET

The War And Business

Consumer Buying Eases

Although official index numbers show continued rise, the current day-to-day trend indicates some slackening in consumer purchasing power. The Financial Post is informed by one authority. The only reason given is that "backlog" needs have now been largely met and that the government's appeal to "spend less and save more" is beginning to have some effect. Installment paying of 1941 income taxes from last September may also have something to do with it.

Nevertheless present expectations are believed to point to record Christmas sales unless some unexpected monkey wrench appears.

After that, the future is considered highly uncertain with the probability of shortages, rationings and a decline in sales in many areas.

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Apathy at Washington

A feeling of apathy has settled over Washington, declares Whaley Eaton. Even those most convinced of the necessity of defeating Hitler are feeling this way, it is stated.

This probably accounts for the lack of popular outburst over the recent sinking of the American destroyer off Iceland and the lack of climax in the last few speeches of President Roosevelt. There is discouragement over the labor situation, lack of enthusiasm for the half in, half out of the war condition of the U. S. The public mind is said to have become shockproof, at least for the time being.

On the other hand, though apathetic, the public apparently is convinced the nation is rapidly approaching outright war and resistance to that approach is reported dwindling.

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May Follow Our Controls

A price-wage-salary ceiling similar to the system adopted by Canada is expected to come into force in the United States in the fairly near future. If it does, it will make it much easier for control in Canada as the export-import connection with the States has been feared the weak point in the system here.

The Price Control Bill now before Congress, is not considered suitable to check inflation. It does not touch wages at all and it has been described by its opponents as "gutless."

Prime Minister King, it is stated, told President Roosevelt, on his Hyde Park visit the other day, that United States might well profit by following Canada's example.

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War Costs

Joint war cost of United States and Britain is now mounting at the rate of $50 billions per year or double the monetary value of all the gold civilization was able to accumulate prior to 1939. After this war is over it is conceded that United States will hold practically all of the world's gold and about all of its debts too.

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Anti-aircraft Guns

Canada hopes soon to be making a full range of anti-aircraft guns, Hon. C. D. Howe, Minister of Munitions and Supply intimated the other day. Capital expenditure of $9 millions had been authorized to extend existing production facilities. Construction of at least one new plant will be started immediately.

Canada is already producing the light Bofors anti-aircraft gun which is capable of firing 120 rounds a minute to a height of almost four miles. Canada is also building barrels for the 3.7 inch anti-aircraft gun, which can fire six rounds per minute to a maximum height of around six miles. Soon mountings for the 3.7 will be produced in Canada.

Mr. Howe indicated also that the Dominion will co-operate with Great Britain in the production of barrels for another and more powerful type of anti-aircraft gun which has a range of some eight to nine miles. Large contracts for barrel forgings and machines have already been placed with two Canadian factories. The barrel of this new more powerful gun weighs more than a ton.

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Factor in Costs

That the excess profits tax has removed the incentive to maintain costs at a minimum is the opinion expressed in the report of the Select Committee on National Expenditure in Great Britain. The report, summarized in the current issue of Canadian Chartered Accountant, states that while cheap production is vital to the successful prosecution of the war, profits, after all, represent only a small percentage of total costs and therefore other elements in price should receive the chief attention.

In addition to control of prices of essential materials, the report states, other important factors are that materials must be on hand when wanted, while labor costs such as bonus payments, overtime, and the organization of the working week should be investigated. Control of costs the report regards as the simplest method of obtaining maximum economy and efficiency. "The control of profits though equally necessary is relatively unimportant" the report says.

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Cut Styles and Save

Because there so many different styles and colors to almost every line of goods handled, the average merchant is forced to carry extra large inventories. In rubber, at least, this situation is now being taken in hand by A. H. Williamson, Rubber Controller. Working in co-operation with the manufacturers, some 43% of styles, colors and lines are to be eliminated from rubber footwear, and a study is being made of other rubber lines including automobile tires.

Non-war consumption of crude rubber was cut 10% this month and an additional 5% reduction will be put into effect each month until February 1942, to bring the consumption of civilian use down to 70% of the monthly average for the year ended May, 1941.

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War Contracts

War contracts awarded by the Department of Munitions and Supply for the week ended Oct. 28 totalled almost $12.3 millions and numbered 3,463. Biggest single orders were for aircraft, motor vehicles and clothing.

HOLD HIGH THE TORCH OF FREEDOM

Marshalling Financial Resources TO WIN THE WAR

Through its offices in Canada and abroad, the Bank of Montreal is cooperating with our Government in marshalling financial resources to win the war.

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A146

Predicts Some Latitude On Wage Adjustment

By STAFF WRITER

OTTAWA. — National War Labor Board will not be functioning by Nov. 15 even though personnel may be named shortly. Nor will Senator Norman Lambert be the chairman of the new body when it is appointed.

All employers will be expected to conform to the wage ceiling which comes into effect on that date. But there will be latitude in interpretation of the cost of living bonus provisions until such time as the board is appointed and has had an opportunity to issue general regulations.

Most likely chairman of the new board, now that Senator Lambert has definitely retired from the running, is Humphrey Mitchell. Mr. Mitchell is presently chairman of the Industrial Disputes Enquiry Commission.

His work in smoothing out employer-employee difficulties in some 40 or 50 of Canada's toughest war-time industrial disputes has earned him a high reputation among employer and wage-earner alike. He has a fund of commonsense, plenty of courage and a passion for winning the war which transcends every other consideration.

Most immediate problem facing scores of business firms as the Nov. 15 deadline approaches is whether or not they are required to make a bonus adjustment on that date rather than on Feb. 15. The determining factor in the new order is whether or not a business is now paying a bonus "pursuant" to P.C. 7440.

Covers All War Industries

Any firm which has a war contract must definitely be considered to be operating (to use the phraseology of the new order) "pursuant" to P.C. 7440. Accordingly, all war industries are legally required to conform as at Nov. 15 to the bonus provisions as laid down in clause "a" section 12 of the new order. This is the clause which says:

"Effective for the first payroll period beginning on and after Nov. 15, 1941, each employer who has been paying a bonus pursuant to P.C. 7440 as amended, shall add to the amount of such bonus an amount based on as hereinafter provided, on the rise in the index number for Oct., 1941, above the most recent index number used to determine the current amount of such bonus."

The only relief from this provision, so far as war industry in concerned, is the probability that the board will not have been set up by Nov. 15, and that until regulations are laid down, latitude will be shown in administering the act.

There are, however, thousands of firms, not war industries, which, within varying limits, "conform" to P.C. 7440.

Are they required by law to adjust their bonus payments on Nov. 15, as indicated above, or may they postpone such payment until Feb. 15 when all firms not following a policy "pursuant" to P.C. 7440 must begin their bonus payments?

Since no board has yet been named to administer the act and since the order-in-council plainly places responsibility for such decisions on the board, there can be no official ruling on this point.

However, unofficial advice being given enquirers is that unless a firm's cost-of-living bonus has been in "substantial conformity" with P.C. 7440 there would seem to be no obligation to begin making a bonus adjustment until Feb. 15, 1942.

Non-war firms

One authoritative interpretation given The Post suggests that most non-war industries even if they have paid a modified cost-of-living bonus to their employees will not be required by the provisions of the order to adjust that bonus as at Nov. 15.

Such industries or firms (as well as those firms which have been paying no bonus) are not apparently required to take any action in this respect until Feb. 15 (although their wage rates will be frozen of course as at Nov. 15 if they come under the general provisions of the act).

The section of the act which becomes effective Feb. 15, says in effect that employers who have not been paying a cost-of-living bonus must on the first pay day on or after Feb. 15, 1942, pay a bonus based on the rise in the price of the cost of living between October, 1941, and January, 1942, (or on the basis of such other period as the board finds fair and reasonable but not to go back further than the date of the last general increase, or at the most, August, 1939.)

Selecting Panels Now

The interpretation generally being placed (unofficially) on this provision is that it will apply to the majority of non-war industry and will mean that for the most part (unless formal complaint is made to the board) these firms will stabilize wage rates at Nov. 15 and then, on Feb. 15, start to pay a bonus which will initially be equivalent only to the amount by which the cost-of-living index rises in the next three months.

The index for October was stated officially to be 115.5 which is 14.6% above the August, 1939, figure.

Following the naming of the chairman of the new board it is expected that membership of the board will be rounded out very quickly. One labor organization is meeting on Thursday of this week to nominate persons from whom a panel of four labor representatives to the board may be chosen. By reason of the absence of key labor leaders at the I.L.O. meetings at New York and Washington, the naming of such panels has been held up.

Once a panel of names has been submitted through the National Labor Supply Council to the government the choice of 8 persons (4 labor and 4 employers) to complete the board will be made. Once the board has been named there must also be a chief executive officer and an executive committee appointed.

Chief reason for unwillingness of Senator Normal Lambert to accept the chairmanship of the board was the insistence of the government in retaining the 4-4 employee-employer panels on the board.

There has been considerable criticism of this plan as one which curbs the effectiveness of strong independent action on the part of board members.

Meighen Vote Stirs Government

No Strings Attached to Nomination Lobbies Hear

By KENNETH R. WILSON
Staff Writer, The Financial Post

OTTAWA.—Using Canada's war effort as its argument, the Tory machine manoeuvred with breath-taking finesse to get Hon. Arthur Meighen into the "permanent" leadership of the Conservative party.

Nothing that has happened in Canada since the outbreak of war is so portentous, politically, as this drafting of Canada's sardonic elder statesman back to the House of Commons in his 68th year. Already the active support of Hon. Mitchell Hepburn for Mr. Meighen is mooted. Who else would follow his banner of an all-out war effort remains to be seen.

There seemed but two choices for the Tories—Meighen or a convention. Zealous Gordon Graydon had traversed the length and breadth of the country preparing the way for a nationwide joining of hands and baring of souls. Many of those who came from east and west last week, believed, apparently, that they were coming to prepare for such a gathering.

Instead, they sought Meighen, said by some to have been a fait accompli long before any delegates to the meeting set their faces toward Ottawa.

Mr. Meighen protested that his name would not stand unless he were unanimous choice. With one quarter of the voting strength raising their hands against his candidature on the first ballot, he left Ottawa and returned to Toronto. Other ballots were necessary to achieve an appearance of unanimity.

His acceptance would give the Conservatives an unmistakable, but temporary advantage. Mr. Meighen is seen by some as not solid ground on which to rebuild the party fortunes. His purpose and usefulness must be measured largely in terms of the war effort.

"Blast and Complacency"

Those who have accepted his leadership believe they are doing so with one purpose and one purpose only, namely the immediate and compelling advantage of having someone in the House who could help gear the nation's war effort to the desperate needs of the moment.

How long Meighen could hold the support of his followers in the House as well as the party rank and file, would depend in all probability on the extent to which he can provide constructive war leadership.

Mr. Meighen's attitude toward the Canadian railway problem, for example, will be watched closely and judging by present indications any attempt to bring about reform on this or other matters would be judged on its relationship to the war effort, according to party informants.

Chances of the Conservatives giving effective war leadership in the House of Commons would depend partly on Mr. Meighen's ability to organize his 39 or 40 followers into a hard-working, disciplined group of diggers and experts. It has been widely commented upon that the house membership as now constituted lacks adequate research facilities and organization. If this lack can be overcome, Mr. Meighen's unquestioned debating powers would be greatly strengthened and supported. No leader, however able, can carry alone the burden of effective opposition.

A Rude Shock

Nomination of Mr. Meighen has given the government its rudest shock since the Fall of France. At that time, genuine alarm replaced lassitude. Since then there has been an unquestioned disposition on the part of many members of the government to swing behind Mr. King's unspectacular leadership rather than force the pace. The prospect of a 1942 session under the biting power of Arthur Meighen's tongue changes all that.

Two immediate and important results of the Meighen "draft" have already been noted.

1. The party is being given credit for something which thousands of Canadians have been looking for—quick action.

By cutting red tape and naming a leader who will be ready for action almost immediately, the Conservatives have given themselves a boost with many who otherwise would have little support or sympathy for Mr. Meighen as a leader. One party stalwart who returned to Ottawa at midweek after a quick check of his riding found a most enthusiastic response on this score.

2. The party will have achieved a new leader which most party observers feel will eventually have to be confirmed by a convention.

There was no discussion of policy at last week's Ottawa meet.

Massey Votes Come In Fast

(Continued from page 1)

influence which a 'company representative or agent' can bring to bear upon these small shareholders is certainly not contemplated in the statute under which this scheme is being put forward."

The company itself has no comment to make on this statement from the committee regarding use of its agents to get in proxies. Enquiry from informed sources indicates, however, that such action is within the powers of the company directors who can do this to secure support for proposals which they consider in the interests of the company itself.

Supporters of the plan claim that in advocating settlement of the arrears and accumulated deficit, the company is trying to do something for common shareholders which will be of benefit to them in their own lifetime. They take issue with the contention of the Stapells-Pardoe committee that these sums can be wiped out from earnings in a reasonable time. It is suggested that basing calculations on probable results for the current year, likely to prove best for the company in the past decade, is not sound. There is no guarantee that such a level of earnings over $1 million can be projected indefinitely into the future.

The letter from the committee calls for "a fair statement of the deficit situation and the possibility of its reduction through future earnings and savings." It is maintained that "increasing earnings, the annual reduction in bond indebtedness and the accumulation of interest upon reserves not paid out combine to reduce the deficit at a mounting rate."

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Village of Chandler, School Comm., P.Q.	Oct.	Garneau & Boulanger	4½%	1942-51	$20,000	96.59	.....
Granby Protestant School Comm.	Nov.	Bank Can. Nationale and Harrison & Co., privately	4%	1942-61	30,000	102.03	.....

New C. I. O. Technique Tried in Mine Camps

(Continued from page 1)

much is McLarty's statement about no interference worth now?" At 11.30 p.m. Larry Sefton, union recording secretary, went on the air over the local radio station with an address in which he told "The story."

In more diplomatic form than the union paper which six hours earlier had announced that "Hon. (spare the word) Norman McLarty has adopted German methods to double-cross the workers," but that, "we'll let them throw McLarty in and still lick the hell out of them." Sefton stated that a huge telephonic party line was thrown across Canada and "down into the United States" on which Norman Dowd of the Canadian Congress of Labor, Charles Millard of the Steel Workers Organizing Committee, Sol Spivak of the Amalgamated Clothing Workers, J. L. Cohen, K.C., attorney for Local 240 of the Mine and Mill Workers, Robert Levitt of the United Mine Workers, and Tom McGuire of Denver, the local organizer, had "discussed the whole undemocratic pattern."

"Change Rules — or Else"

On Friday, less than 24 hours before the vote," he said, "they took the matter up. From all corners of Canada," he said, "came statements telling McLarty that he had to change those regulations . . . or else." Typical of the messages, he said, was that of Millard which had read: "I will notify the unions in Canada that I will personally support any action which may be necessary to ensure justice and acceptance by the mine operators of the conciliation board report." Sefton continued, "In the face of this barrage of labor opposition, McLarty backed down. Not everything is right, and when this thing is settled . . . McLarty is going to get a lot more from labor in this country because his actions and his department's actions have been undermining labor's ideas of democratic institutions."

Six and one-half hours later the miners began voting, and voted 63% to strike. Talk openly in the town was that "the C.I.O. shows how it gets action, so now watch what it does to Ottawa; it'll force Ottawa to ram recognition down the mines' throats."

Two important results were achieved by Ottawa's last-minute vote regulation changes. About 460 persons were kept from voting. More important than removal of those votes, however, was the psychological effect on men who did vote. Two mines were in the strike column by only three votes. Four voted against strike by big majorities.

The non-voters, however, say a third factor was involved. Kirkland Lake has a huge alien population, including hundreds of so-called "enemy aliens," citizens of countries held by Germany and citizens of Germany and Italy. These men could vote on what the non-voters refer to as "The principle of letting the C.I.O. and its fellow-travellers muscle into Canada's mining industry." Hundreds of such workers voted but the 460-odd British subjects could not.

Sit on Payments

If a strike occurs, the union will be elated. It has the ground prepared, and the mines will suffer most heavily at first. Instructors have told the strikers that the technique of the U. S. is to "sit down on payments"—defy the landlord to evict because he can't rent to anyone else if the town is dead. That saves rent money. Do the same on other payments such as furniture; the finance companies will extend payments in hope of getting the money after the strike is over.

With about three weeks pay in their pockets, they point out, the miners could go many weeks, not counting on outside assistance which the C.I.O. organizer says will be available. The miners received two weeks pay on Monday; have another week coming to them.

Then, the rumors in Kirkland Lake say, "friends" on the outside will put on the pressure. Everywhere the story will be painted of the mines starving the men into collapse. In the meantime, however, the actual sufferers would be the town and, to a lesser extent, the mines. The town has its regular commitments to make. The mines' tax payments to the town will be slashed to a minimum. And the mines will have to maintain skeleton crews—if they operate. The mines believe they can, because many men are clamoring for work to continue.

But in the meantime, the miners are waiting for the C.I.O. to perform some more of its miracles. They claim it proves its strength by its deeds.

More Refrigerators Sold in Canada

From Our Own Correspondent

MONTREAL. — Canadians are continuing to buy more refrigerators than they did a year ago. Purchases during September numbered 3,615 units, as against 2,960 units for the same month last year.

Cumulative sales for the first nine months of 1941 amounted to 52,370 units. This contrasts with 53,914 units for the first nine months of 1940.

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Britain Counting on Canada

(Continued from page 1)

adian government took advantage of its war-time powers to buy Canadian Pacific control at wartime depressed prices," I was told by a leading financial man here. "It would rankle with the British investor almost as long as the Grand Trunk deal and would offset much of the prestige which Canada has gained by her magnificent war contribution."

London was for awhile somewhat alarmed by the Montreal debt situation and the proposals for its settlement. Montreal's troubles came to head at time when all news focused on France's fall. Many people were unaware of Montreal's difficulties until they began to receive notices from bondholders' committees. It came as a shock to many investors to learn that Canada's largest city was in trouble. All Canada's credit tended to suffer sympathetically but the situation has now been well explained over here. It is appreciated that there is no disposition present a fait accompli to the British investor, but rather that he should have an opportunity of commenting on and helping reshape proposals.

The Montreal matter, after some early criticism in the London financial press is now more sympathetically handled by commentators here.

Some Britons suggested to me that after the war we may expect a large influx of people from these islands into Canada. Canada's impressive industrial achievements in the war have astonished most Englishmen and made them feel our new world country offers greater opportunities than they ever realized.

But other more cautious commentators express the opinion it may not be easy to exit from Britain after the war, having sacrificed everything to protect these islands the British people are not likely to encourage migration of people after war.

These observers say, overcrowded as the islands are, they must not be allowed to suffer diminution in population if the war debt is to be carried out. So there is some speculation whether or not strict control movements of people, goods and capital from Britain under wartime conditions may not with modifications be continued some years after the war.

This Canadian paid his tribute to the fallen at the City of London cenotaph before the Royal Exchange. London paused only for moment, and nowhere did crowds gather in prayer and remembrance. But here at the slender shaft between the Bank of England and the Mansion House, hidden by the brick walls of air raid shelters, and surrounded on all sides by the crumbling ruins of once great financial business buildings, bank messengers doffed their silk hats and shipping chairmen their black Homburgs and paused for a moment to remember.

There was no two minutes silence, and Last Post was sounded only by a rivetter strengthening the foundations of half blitzed buildings as London carried on.

Imperial Oil Pays Regular

Imperial Oil and its subsidiary and associated companies have declared dividends, all payable Dec. 1, at the same rate as effective earlier this year.

Imperial Oil is paying 25 cents a share and International Petroleum is paying 50 cents. Andian National is paying $1 a share, plus 50 cents a share extra, in U. S. funds. All other payments are in Canadian funds. Andian National Corp., pipe-line owning subsidiary of International Petroleum, has maintained its dividend rate unchanged for the past three years. Imperial Oil and International Petroleum formerly paid substantial extras but this policy was dropped in 1940.

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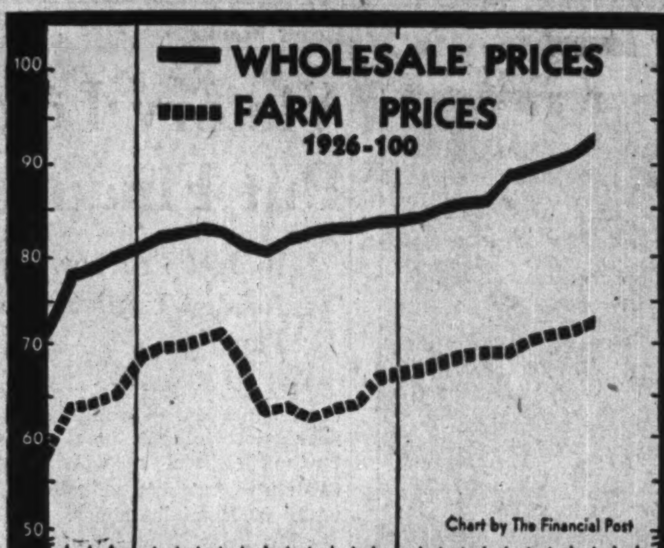
Should Farm Prices be Pegged At Their Present Levels?

There seems to be no general antagonism to the freezing of farm prices at present levels for the duration of the war, in answers received to The Financial Post special survey this week. Representative farmers both east and west, and spokesmen for interests vitally linked with agriculture seem to agree on this point.

But they also point out that in some lines, and especially wheat, recent prices are still considered abnormally low. They suggest that either through subvention or otherwise, some way be devised of subsidising in such cases without disturbing the general price levels to consumers.

The accompanying chart shows that farm prices still lag substantially behind the general price level. Not shown by the chart, however, is the fact that almost all of this lag is due to wheat. The Dominion Bureau of Statistics index of animal product prices, for instance, in September had risen to almost 100, or practically equivalent to the common 1926 base. This is actually higher than the index level of all commodities. On the other hand, the index of field products, which largely means wheat, only stood at 57.6.

This means that the farmer who, through habit or necessity, is still largely confining his production to wheat, is getting less than 60% of 1926 prices, while others specializing in dairying, hogs, cattle and sheep, alone or in combination, are experiencing the best gross returns since 1930.



P. C. Armstrong

Special Representative, Canadian Pacific Railway.

Production of sufficient food is still mankind's most pressing problem. Low farm prices prevailing for many years are the cause of grave economic difficulties.

On the other hand the government has just adopted general economic controls to meet pressing danger of inflation and food prices are an important factor in deciding the cost of living.

Thus it appears that to raise farm produce prices now in any important degree would possibly wreck the whole programme. Therefore other methods of aiding the farmer although normally undesirable, will have to be employed, until peace provides an opportunity for dealing intelligently with the problem.

W. R. Drynan

President and General Manager, Canadian Canners Ltd., largest canning company in the British Empire, operates 68 plants in Eastern Canada and B. C.

As far as our products are concerned, in fairness there will have to be a ceiling price for farm products if there is a ceiling price for merchandise manufactured from such agricultural products.

Our opinion is that if the government proposes to put a ceiling on some products and not on others then the workability of ceiling prices is put out of gear and if farm prices are not pegged then the ceiling prices for the finished products should not be pegged.

For example, if our ceiling price is $1 based on last year's costs, then next year's ceiling price should be adjusted proportionately to any increases in raw material costs and increased cost of labor. However, this possibly is what the programme calls for.

• • •

Henri Bois

Assistant Manager, Co-operative Fèderée, Montreal, president, Corp des Agronomes, Quebec, and farm owner.

If necessary to successful conduct of war, prices of agricultural products should be fixed at levels which would permit agricultural capital and labor to obtain remuneration equivalent to that granted to the capital and labor engaged in industry and commerce.

Such a policy would consolidate our war effort and would assure a greater unity in the Canadian nation.

• • •

Percy French

Vernon, B.C., fruit grower and Shorthorn cattle raiser, former special adviser to Pattulo government.

Certainly farm prices should not be pegged at present levels.

Agriculturists are and have been for many years receiving returns on lower economic scale than any other major group of Canadian citizens.

Farm prices should not be pegged below an amount which would not allow farm people economic returns on parity with other groups of citizens. Moreover, if the producer of primary products is to survive he must be able to pay the same wage scale as other industries, otherwise the production of foodstuffs which is so vital to successful conclusion of war will suffer on account of the labor shortage.

Farmers ask only equity and equality of sacrifice in war effort.

• • •

R. S. Kennedy

Editor-in-Chief, Family Herald and Weekly Star, nationally distributed farm paper with circulation of over 300,000.

Farm prices cannot be pegged firmly like industrial prices owing to uncontrollable production fluctuations. At present the farmers are 37% below 1926 while all commodities are only 7% below. As all commodities include farm therefore industrial index alone about 40 points higher than farm.

But if all farm prices are raised to industrial level living costs and index of all commodities would rise, necessitating further increase of farm prices to keep fair relationship. This would perpetuate inflation spiral, consequently apart from certain practicable farm product increases remainder of farm income must be raised to reasonable relationship by some form of subsidies.

• • •

C. O. Knowles

Editor, The Evening Telegram, Toronto.

Unless the patchwork assistance which has been applied to agriculture has been sufficient to meet the upward surge of the cost of living on the farms, it is obvious that the pegging of farm prices at the present levels would be an injustice. It is impractical to think of building a sound national economy on an impoverished agriculture.

There are figures available to indicate that in recent years farm prices have been below the normal level. It is pointed out, for instance, that the farm population is nearly one-third that of the whole country, but receives only one-seventh of the national income. It has been asserted too that farm prices for June, 1941, were 30 points below the index for 1929. The figures supplied by the Canada Year Book indicate that the farms lingered in the pit of depression when the rest of the country was climbing out.

There is room for belief that consumers have not been paying too little for farm produce, but it is evident that the farmers have not been getting enough. Before pegging prices it might be well to examine the cost of distribution for the purpose of ascertaining whether it is not possible to increase the return to the farmer without making a commensurate increase in the cost of living of the urban consumer. How far the spread between producer and consumer is justified should be determined before any injustice is done to either.

• • •

J. S. McLean

President, Canada Packers Ltd., and Chief Trade Adviser to British Food Mission in U. S.

In the main my answer to your question is yes. However important special factors will have to be considered. For instance, the most important farm crop is wheat, the present price for which, is below the relative level of other farm products and also of manufactured products. I understand government plans to meet this situation by adjustments in the bonus system.

Again, many farm prices are seasonal and, it happens that the base period chosen, September to October, is in some cases the period of lowest prices. This is the case particularly in respect of cattle. No doubt similar problems arise in respect of many other products. I judge the Wartime Prices and Trade Board already have in mind a solution of this problem.

Farm prices on the whole are higher than at any time since 1930 and the position of farmers should be satisfactory providing the controls are effective in respect of price of products which farmers buy.

• • •

F. E. N. Robinson

Richmond, Que., big Jersey cattle raiser, prominent in agricultural association work, and former president National Dairy Council.

Present attempt to fix wages and prices is positively our last ditch defense against inflation which if not prevented would cause more suffering and injustice than could possibly arise through iniquities in present price structure.

Certainly farm prices should be frozen along with wages and other prices at present levels. Any attempt to make an exception would wreck the whole scheme by making mandatory further wage increases.

If, under fixed prices, certain farm products fail to appear in sufficient volume to satisfy wartime requirements then production must be stimulated by direct subvention, leaving the price to consumers unaltered. This would not be to please a particular group but to get the output necessary.

In view of the very grave consequences of failure to prevent inflation every citizen of goodwill should co-operate with the government in this matter even if his own interests are apparently sacrificed.

No policy designed to prevent inflation can be effective unless it hurts.

• • •

H. G. L. Strange

Director, Research Dept., Searle Grain Co., Winnipeg and former wheat sweepstakes winner at the Chicago International.

I understand that most farm prices are to be pegged but I for one want to argue against the justice of stabilizing the price of wheat at its present, or anything like its present, greatly depressed level. My own opinion is that the price of wheat should be permitted to rise, if it can rise, up to its "parity" level with 1913-14, which would be about $1.20 a bushel.

Remember always that in a pound of bread there is only a pound of wheat and the value of a pound of wheat today is less than one cent at a farmer's point so that out of the 8 cents for a loaf less than one cent is affected by wheat; the balance is mostly the cost of labor all along the line. If, therefore, wheat were absolutely free it would make but little difference in the price of bread.

If on the other hand wheat went up 30 cents, it would make no more than half a cent a pound difference to the price of bread, which, of course, is inconsequential. The fact is that today bread is the cheapest foodstuff the people have, and considering all the circumstances, the farmer is getting too little for the contribution he is making.

• • •

R. A. Wright

Pitman, Sask., grain grower and director Bank of Canada.

During the past 12 years the Canadian farmer has faced difficulties that have denied him his rightful share of the national income, in fact subjected him to a punishment bordering on poverty. Foreign markets so necessary to our prosperity are closed to our main product, wheat. A burdensome surplus weights down the price. There is little hope of prosperity to the farmer who produces only wheat and must rely on a government subsidy to maintain the price level.

These are the reasons that make agricultural leadership in western Canada so difficult.

The first objective of all Canadians is to win the war quickly and thoroughly and then restore foreign trade equally, efficiently and permanently. If it is necessary to peg farm prices at present levels to accomplish this purpose I am for it.

Hog and cattle prices are at a 14 year high. Butterfat, poultry and dairy products have had substantial price increases that should be satisfactory to producers.

Wheat remains the one farm commodity that is cheap and affords the farm neither a fair parity purchasing price on comparison with the 1929 price level or gives him the cost of production. It may be hoped that wheat may be pegged at a higher level or treated separately.

Prime Minister Mackenzie King in imposing price control and establishing wage and commodity ceilings has taken a definite step to keep price cost down and avoid inflation. This action will help agriculture in establishing foreign markets, giving Canada a stable fiscal system, essential factors necessary to a sound economy in our post war recovery.

Agriculture should lend a hand and support such leadership.

Next week The Financial Post will make another telegraph survey of representative Canadian opinion on a current question of national interest.

Bell Telephone Traffic at Peak

From Our Own Correspondent

MONTREAL. — Telephone installations on the Bell Telephone Co. of Canada's system to the end of September 30 this year indicate an unprecedented demand. The gain in telephones was 40,300. This contrasts with 19,700 for the like period of 1940. There are now 865,000 Bell telephones in service, an all-time peak.

Long distance usage is also continuing to show a marked increase over last year. For the first nine months of 1941 there was a gain of about 16% in the number of messages and the proportion of long-haul calls was higher.

Local traffic is now exceeding 6.4 million connections daily, or about 900,000 more than in 1938 and such pre-war years.

—and that's not guess-work!

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Investment Trends

Stock Markets Evidence Little Sign of Strength

New Idea of Co-operative Promotion Tried by Chicago Stockbrokers — Lessons From "Investing in Wartime" Contest of 1939

The way in which stocks hang around the critical levels which have been indicated by the averages for a number of weeks is probably sufficient excuse for reluctance on the part of investors to abandon their sideline positions. The war has been playing its usual function of hindering investor optimism and shows little evidence of contributing a lasting improvement in the immediate future.

But it is probable that outside the field of direct industrial share investments a portion of the reason for current weaknesses can be found in both Canada and the United States. In Canada, much of our investment enthusiasm, or lack of it, often stemmed from the mining markets. For some time past threats to the equanimity of mining investors have come from disturbing reports about ore conditions at Kirkland Lake and now labor troubles. In the United States it is probable that the threat of a strike on the railroads has been an important factor in weaker stock prices.

There are many explanations that might be mentioned but none of them give real clues as to when better conditions may be expected. Many careful students of stock markets continue to regard periods of lower stock prices as opportunities to make advantageous purchases.

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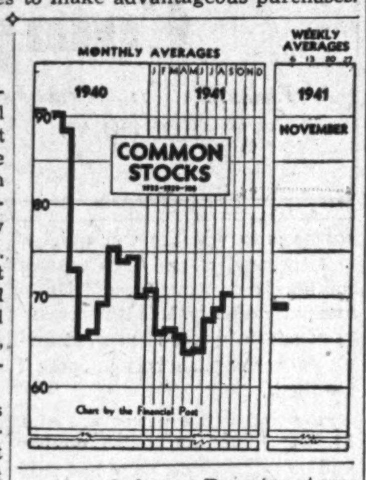
Investing in Wartime

"Investing in Wartime" is a familiar title to readers of The Financial Post. It became familiar throughout Canada in October, 1939, when The Post first sponsored a contest open to anyone to devise the best investment programme to be followed by a businessman with $50,000 to invest. A year later The Post took a look at the portfolios recommended and numerous contestants expressed their views of what changes, if any, the first year of war made desirable.



Now the second year of war has ended and The Post is taking a second look at the results that might have been obtained on paper. It would be too much to expect that a list of stocks and bonds, locked up for two years, could have survived two years of war without some casualties. But it is not too much to expect that better than average results might not have achieved where shrewd and careful selection had been exercised and this proves to be the case as a glance at the tabulation of results appearing elsewhere will show. Next week, The Post will give contestants of two years ago a chance to bring their programmes as nearly up-to-date as an annual inspection will permit.

The point should be emphasized again that careful selection and a sound programme in the first place are essential to successful investment. But just as necessary is continual and careful supervision without which success is most unlikely.

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Co-operative Advertising

Seventeen Chicago stock brokers have adopted a unique technique of grouping their resources to advertise the most basic factor that stock brokers have to talk about—the return on capital. They head their advertisement, appearing recently in Chicago papers, as a message for investors, "Stock Yields are High Today." It is a simple message and one that carries a potent appeal.

The advertisement aims at getting a share of the results of "these accelerated economic conditions" which "mean that the American people have more money to spend—and invest." It suggests that "investors carefully consider listed common and preferred stocks as media for their surplus funds." In stocks, it states, "your investments can show increased returns." Because of rising living costs and increased taxes "increased return is important to you as practically never before."

The advertisement offers nothing that Canadian stock exchange firms cannot duplicate. It emphasizes the services that are available, it stresses the desirability of including in portfolio "a well selected representative list of preferred and common stocks." It is simply alert merchandising of the basic thing which all stock brokers can talk about, the return on your capital from stocks.

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Alcohol For Defense

There exists already, or is threatened, in the United States an acute shortage of industrial alcohol. This is another result of that country's accelerating defense programme which requires immense quantities of alcohol for many purposes, chief of which is production of explosives. As already reported in The Post the larger liquor distillers in the U. S. have agreed to produce industrial alcohol. First to sign a contract with the U. S. Ordnance Department was Distillers Corp.-Seagrams which is to produce about 325,000 gallons a month of alcohol from 65,000 bus. of corn for the Army's smokeless powder plants.

Biggest reason why the whisky industry's alcohol output has not yet measured up to demand is Hiram Walker-Gooderham & Worts, third in liquor sales in the U. S. but first in alcohol, according to Business Week. Present U. S. laws permit Hiram Walker to produce either alcohol or whisky in its huge modern plant at Peoria but not both at one time. This was Walker's only distillery in the U. S. prior to its purchase of the Frank L. Wright & Co. plant recently. Without this other plant, Hiram Walker could not produce alcohol without jeopardizing its competitive position. Even now it is faced with a costly shut-down of at least part of its huge Peoria plant.

There is a bill before Congress to give relief to one-plant distillers who may be approached to produce alcohol for defense, but its chances of passage are held pretty low, chiefly because of opposition from the industrial alcohol industry. Whisky companies appear not too eager to turn to alcohol for defense, maintaining that the U. S. authorities are driving a hard bargain, Business Week points out.

Bond Sales

ST. COLOMB DE SILLERY

Parish of St. Colomb de Sillery, Que., has sold an issue of $68,900 in 4% installment debentures to L. G. Beaubien & Cie. at an average price of 98.10. The issue will mature annually Aug. 1, 1942 to 1961.

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CROWLAND TOWNSHIP

Sale to the Bank of Toronto of $71,392 in 4%, ten-year installment debentures of the township of Crowland, Ont., is reported. Price of the sale is reported at 104.106, a cost basis to the township of 3.20%.

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HULL, QUE.

An issue of 10-year city of Hull debentures totalling $137,000 and bearing interest at 3.75% has been sold to A. E. Ames & Co., Ltd., at a price of 99.52. This was the highest price ever received by the city for debentures.

Bond Redemptions

Bond issues:	Rate	Year	Due	Price
Montreal Refrig.	▪6%	1947	Dec. 1	par
H. Walker deb.	4½%	1945	Dec. 9	102
Eastern Car ...	*6%	1952	Jan. 1	105
Dufferin Pav. ...	†5%	1955	Nov. 30	105
Mississippi R. Pr.	‡5%	1951	Jan. 1	105
Nat. L. & Pr. B	6%	1949	Nov. 17	▴

†A debentures. * $45,000. ‡$148,600.
▪All outstanding balance. Company will purchase bonds prior to the redemption date at 102, including accrued interest.
▴Tenders for $5,900.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.6	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941: Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.3	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	72.0	56.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
July	76.3	66.1	37.5	48.4	105.7	90.5	94.3	77.8	65.3	89.7	70.6	67.5
Aug.	76.8	70.2	72.4	49.1	106.3	91.8	95.7	79.7	64.4	89.7	71.2	67.8
Sept.	80.5	78.5	75.1	51.3	108.4	93.3	102.4	82.4	68.8	91.2	74.7	71.0
Weekly Figures:												
Oct. 2 ..	80.7	78.6	78.8	52.3	107.4	93.1	102.3	82.4	69.6	91.3	75.5	71.2
Oct. 9 ..	78.5	74.5	75.9	51.3	104.5	92.1	99.4	80.0	67.3	91.0	72.9	69.5
Oct. 16 ..	77.6	75.1	75.9	50.7	104.7	91.0	97.3	78.5	67.6	90.4	72.7	68.5
Oct. 23 ..	78.4	75.9	71.1	51.0	105.8	92.4	99.1	78.9	67.8	90.9	72.7	69.3
Oct. 30 ..	78.6	76.3	75.0	51.6	107.7	92.2	99.1	78.3	65.9	90.9	71.6	68.9
Nov. 6 ..	78.2	75.1	73.3	53.1	109.0	91.9	100.7	77.7	66.1	90.7	71.7	69.2

*High and low for year from 1929 to 1940 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Nov. 11	—Holiday—			
Nov. 10	95.10	89.91	69.95	18.46
Nov. 8	95.05	91.15	70.37	18.61
Nov. 7	94.69	91.00	70.32	18.48
Nov. 6	94.33	90.46	70.39	18.44
Nov. 5	94.49	90.87	70.07	18.41
Month ago ..	94.39	97.15	70.00	19.33
Year ago	105.82	112.02	72.63	23.05
High 1941 ...	103.48	109.76	75.30	21.62
Low 1941	85.87	90.30	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 PPrs.	15 Golds
Nov. 11	—Holiday—				
Nov. 10	44.4	61.0	55.5	80.14	60.27
Nov. 8	44.5	60.9	55.4	79.20	60.78
Nov. 7	44.5	60.7	55.3	78.80	60.95
Nov. 6	44.2	60.3	55.0	78.91	61.00
Nov. 5	44.4	60.3	55.0	78.12	61.43
Month ago .	48.0	63.8	58.5	82.64	72.33
Year ago ..	56.8	72.7	67.4	97.00	80.53
High 1941 .	54.3	66.6	62.3	88.90	79.99
Low 1941 ..	42.1	52.3	49.3	58.96	60.78

Honor Popular Car Executive

D. C. "Gus" Gaskin (left), vice-president and general manager of the Studebaker Corporation of Canada, Ltd., receives his 10-year service plaque from R. A. Hutchinson, vice-president and general manager of the Studebaker Export Corporation.

Market Opinions

Little change can be noted in the attitude of market comment this week. It remains cautious for the immediate future.

Barron's, N.Y. (The Dow Theorist).—In any further decline that might occur, buying rather than selling opportunities should be sought, in view of the fact that the market has been going down since the end of July. The primary trend is still regarded as down under the Dow theory, and so is the secondary trend. But it should never be forgotten that this theory is a method of determining the trend, which obviously cannot be done until it has been under way long enough to become recognizable. Therefore, trends always change before their new direction can be determined.

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Brookmire Counselor, N.Y.—The favorable trend of basic forces is demonstrated by the fact that dividend declarations continue to reveal a substantial number of increases—notwithstanding the higher expenses and taxes confronting corporations. Clients should continue to strive for the happy medium of keeping a little cash as a hedge against sudden war turns, while maintaining the rest of their holdings of stocks in high-calibre companies representing sound industries.

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Barron's, N.Y. (The Trader).—Disregard of the prospect that industrial production in the United States is destined next year to reach fabulous figures is mainly motivated by the fear of confiscatory taxes in 1942. Prompt shelving of the Treasury demand for additional levies, however, reflects a certain independence of Congress which may eventually come to grips with that other bugaboo, the labor problem. Stocks are now within about three points of the lowest level of the year, a figure, incidentally, witnessed but once since the day after wartime low of June 11, 1940. Discounting of all the uncertainties of the present year has gone a tremendous way. Low market activity, high yields and meagre capitalization of earning power are characteristics of accumulation, and not the harbingers of disaster.

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Business Week, N.Y.—Prices of both railroad securities and sympathetic industrial issues for over a month have been influenced by prospects of the President's Emergency Fact-Finding Board on the railroad wage situation. This decision was to indicate a possible formula for future labor union altercations with management. The recommendations themselves were immediately followed by a spurt in industrial and railroad share prices but prices slid off as union dissatisfaction with the proposals was voiced. Fears of governmental operation and control of the railroads follows prospects of a strike.

The Mail Box

Joy Riders Ride Again

Editor, The Financial Post:

Stirred by the moving appeal for the conservation of gas, I took to the road on foot one Sunday afternoon, my objective, a friend's house five miles away.

There were few, if any, pedestrians on this stretch of country road but no less than 75 cars passed me in the hour and a half that it took to reach my destination.

Last Sunday the same route was followed in approximately the same length of time and the score rose to 177 cars.

Young men in mufti, with their maidens, pompous ladies in furs with their escorts, others not so pompous, all were out driving. Some of the cars passing me contained the whole family, others just a soldier or two with their girls. Obviously the bulk of the occupants were riding solely for pleasure.

Gas saving radio propaganda has waned during the last seven weeks and with the stigma forgotten, joy riders once more dare the open road.

R. G. B.

Patricia Bay, B.C.

Future of Business

Editor, The Financial Post:

Many are the businessmen who take commercialism for granted and imagine that it is going to continue on its present way indefinitely. Others, however, have seen that "ages move and man decays," and with that there will be changes. The astute businessman puts human values first because he knows that these endure through time and in all history. It is the men who skimp and cut corners in business that at times bring it its bad name.

Obviously the future of business is whether it can solve its problems effectively. The workers are becoming articulate and highly organized in many respects and they think nothing of publicly denouncing the "lousy company" they work for. This is a mood of millions and is one of the problems of business. Business has to work to create and deserve those qualities of loyalty both to high principles and to all human beings if it is to hold its own against an anti-business feeling and mood. Business will have to solve its problems by showing that it can deliver the goods better than any other system, while also doing the most good for workers.

CARL PETERSON.

Chicago.

Pools Should Pay

Editor, The Financial Post:

I have just read your editorial, "A Huge Untaxed Corporation." I do not know whether you are thinking of the same corporation that I am, but my guess is that you refer to the Saskatchewan Wheat Pool.

Frankly, I cannot understand the attitude of the Government in this connection when every dollar that is scraped together is needed for the war. This company is escaping the income tax on the excuse that it is a co-operative institution. It is doing exactly the same business and in exactly the same way that all other elevator companies are doing—I understand that even the United Grain Growers are paying income taxes—and the United Grain Growers, like the Pool, is supposed to be owned by the farmers.

Many companies up to the end of last year have paid nothing as dividends and the Saskatchewan Pool is piling up huge cash surpluses, improving its financial sheets and paying no income taxes whatever. This is another reason that a union government to wage the war is a desirable thing. It is inconceivable that under a union government that the Saskatchewan Pool or any other wheat pool would escape taxation. I do not like to mention the word politics but what do you think? Canada is apparently losing about $1,000,000 a year from the Saskatchewan Pool alone, and probably as much more from the other four pools.

Taxpayer.

Non-war Industries

Editor, The Financial Post:

I have just read your editorial on Canada's shortage of manpower and materials. As aids to correct this situation you recommend curtailment of consumer spending upon non-essential goods, which will, in turn, release certain industries for the production of war materials.

In effect, your recommendation is a worthy one. There are, however, some questions. In what direction do you suggest the non-essential industries turn? Is there any constructive plan to put these industries, and their personnel, into war industries?. Or is this step to be left until the very end, when they have been forced out of business, and then a rush on the part of the Government to find work for them to do?

First, how about a constructive plan for the use of these industries and their manpower, and then curtailing their output? This would, I think, give these industries a greater certainty of purpose and a strengthening of their present morale.

Montreal. William Baig,

"Cannot Refrain . . ."

Editor, The Financial Post:

Permit us to say that your editorial in the Oct. 25 issue entitled: "Will New Controls Aid War Effort?" is so good that I cannot refrain any longer from being a subscriber to your celebrated paper.

F. M. HATCH,

Hamilton.

Inter-State Oil Income $2,702 In August

From Our Own Correspondent

MONTREAL.—Oil royalty investments of Inter-State Royalty Corp. at Aug. 31, totalled $1.1 million, the company informs the Montreal Curb Market. Gross revenue from royalty income to Aug. 31 amounted to $488,173. Reserve for depletion totalled $133,571 to the same date.

The company had gross income from royalty and rentals of $2,702 during August. Accumulated income in 1940 to the end of August amount to $33,228.

Hiram Walker Bonds Offered at 100

A group of 28 underwriters is handling the $15 millions offering of serial debentures by Hiram Walker-Gooderham & Worts in the United States. The underwriting is headed by Smith, Barney & Co., which is participating to the extent of $3.6 millions.

The new debentures are to be offered at par for all maturities.

Bond Markets

Victory Loan and Taxes Put Finances Over Top

Budget Preview Hints No Big Loan Will be Needed Until Summer — More on Algoma Plan

Mr. Ilsley's financial report to Parliament last week on the trend of revenues and expenditures in the first half of the current fiscal year coincided with the release of the Dominion's Public Accounts for the 1941 fiscal year which ended last Mar. 31. Taken together, the two statements shed valuable light on Canada's most important investment, Dominion bonds.

Mr. Ilsley's "budget preview," reviewed elsewhere in this issue of The Financial Post, would indicate that the high rate of tax receipts in the current year will relieve the Dominion of further large-scale borrowing until after its close. It would therefore seem unlikely that the next Victory Loan will occur early in 1942. Talk of a small loan in the first three months of the coming year has been heard, but the difficulty of conducting a nation-wide canvass in midwinter is a strong argument against an early loan.

Victory Loan Figures

Smashing success of the Victory Loan drive is indicated by the total number of subscribers—968,259, not far short of one subscription for every 12 persons in the Dominion. The average subscription amounted to $864.25, and 88.93% of the total subscriptions were for amounts of $500 and under. The soundness of restoring the $50 unit is indicated by the 416,511 subscriptions received for this denomination, a total of $20.8 millions, nearly equal to the $24.5 millions received in $100 units.

That the cost of floating the Victory Loan was higher than in previous war borrowings goes without saying. But the fact that one out of about 12 in the Dominion bought bonds and in some provinces as many as one in eight appears to be conclusive proof that the all-out campaign justified itself.

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More Alberta Talks

Although it was reported from Edmonton that Alberta bondholders' representatives would meet with the Alberta government shortly, no formal call for resumption of the discussions has yet been issued, The Financial Post is informed. It is understood that the slowness with which the discussions are being resumed—they broke off about Sept. 20—reflects the fact that the government and bondholders representatives have not reached any working basis.

While Mr. Low has stated that the government was not bound by the resolution of the Social Credit caucus to the effect that taxation in the province was at the limit, and that no higher rate of interest than the present 2.44% could be paid, some skepticism of this contention is apparent in investment circles. It is felt that the decisions of the party caucus cannot be ignored in any essentials by the government.

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Deadlock Expected

If this is the case, it is apparent that renewal of the discussions cannot result in other than a deadlock. The contention that Albertans cannot pay more in taxes than in the depression years does not stand up under comparisons of the province's "national income" increases and it is highly unlikely that bondholders would grant the lowest average interest rate on provincial bonds to the province which has the worst credit rating.

If there was any sound basis for the sacrifices imposed during the depression on bondholders and mortgagees in the west and elsewhere, observers feel it has been removed by the rising rate of national income. So far these reorganizations have been one-way, the creditor sacrifices his prior claim in bad times, gets no compensation when fortune turns the other way. If it is right that the sacrifice should be made in bad times, it is only reasonable that an equity in good times should be retained. The one-sided nature of deals such as the Social Credit party demands is not likely to bring a return of investment funds to Alberta.

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That Algoma Meeting

In discussing the pros and cons of the Algoma Central plan last week, The Financial Post reported that some Canadian investment men were dissatisfied and complained that Canadian holders would be unable to attend the meeting in London, England, on Nov. 20.

While this is unfortunate, it appears that London is the only logical place for the meeting to be held. According to the registration of the securities concerned, 55% of the railway bonds, in the form of debenture stock, is registered and held in England. In addition, a number of unregistered bonds are also held in the Old Country, are traded on the London Exchange. Company officials state that probably less than 35% of the total funded debt of the railway is held in Canada.

An even larger proportion, perhaps 95%, of the terminals bonds are believed to be domiciled in England. A few terminals bonds have occasionally been traded in Canadian security markets, but they have not been regularly quoted for some years.

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Long Way To Go

These bonds are quoted low, at around 11, carry arrears of interest since 1930, which would become payable if earnings are sufficiently high. Although it is an income bond, it can only be called at par plus unpaid interest, and since the bonds are dated later than 1930, and were exchanged for fixed interest obligations, income bond interest comes ahead of income and excess profits taxes. If earnings are sufficiently high, for a sufficiently long period, the present bonds might ultimately be redeemed at something higher than 155, which is the current par value plus 11 years' interest at 5%.

That they are still quoted so low is a reflection of the long distance that has still to be covered before interest payments are possible. Last year, for the first time since 1930, the company showed net earnings, and this year's operations are stated to show a further substantial improvement. But at the end of 1940, current liabilities exceeded current assets by $6 millions, and even with the new plan it will clearly be a long pull before any return could be paid on the outstanding bonds.

Newsprint Up In October

From Our Own Correspondent

MONTREAL. — Shipments of newsprint paper from Canada last month were materially higher than in October, 1940. Report of the Newsprint Association of Canada, which is expected toward the end of this week, will likely show Canadian shipments at around 85% to 86% of capacity, whereas a year ago they were only 75%.

The rise in shipments this past October, compared with a year ago, is due to two factors. In the first place shipments at midyear 1940 were not far short of capacity, reflecting precautionary buying by American publishers against an advance in price. With the announcement the price would remain unchanged over the year-end, publishers eased up in their buying and there was an abnormally sharp drop in shipments during October, 1940. The second factor has to do with the current policy of the publishers, who are taking deliveries in regular monthly lots and thereby eliminating the usual swings in seasonal demand.

Production figures for last month followed the same course as shipments. However, compared with the previous month, the returns are not expected to show any material change. Output in September was just short of 300,000 tons, or 84.9% of rated capacity. In October last year the mills turned out 282,322 tons, which was equivalent to 81.5% of capacity.

Shipments of Canadian newsprint in October, 1940, totalled 284,133 tions. It would appear, therefore, that deliveries last month were slightly better than 300,000 tons, or roughly the same as in the past three months.

Investment Notes

B. C. Packers—Considerably larger gross earnings by the company this year is indicated by the fact that up to Oct. 18 British Columbia's packed canned salmon at 1.9 million cases was 45% ahead of the pack at the same date in 1940 and exceeded by 10% the best showing in the last six years.

Asbestos Corp.—This company is understood to be working at capacity, says Greenshields & Co., at a milling rate of about 12,000 tons a day. The Black Lake line, which had been closed down, has been reopened. The company is evidently feeling now effects of the defense programme in the United States and orders from that direction are more than offsetting loss of shipments to Japan and curtailment in shipments to Europe, principal peacetime markets for the company.

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Fanny Farmer Candy—Included in a series of brief studies on "Growth Stocks" in Barron's is a story of "this highly successful candy business," starting with one establishment in Toronto in 1914, now embracing several hundred units in the United States. It is pointed out that the company has been aided by the rapid growth of candy consumption in the United States during the past 20 years, a factor which has contributed to the growth of over 165% in per share profits for Fanny Farmer in the past 11 years. War periods, it is pointed out, are usually periods of prosperity for candy makers. This company's consistent growth leaves its profits particularly vulnerable to the Excess Profits Tax, it is stated. Exemption under the amended 1940 Act is about $2.75, which is just a little more than the 1940 per share earnings.

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S. E. C. report of security transactions and holdings for October show:

Canadian Colonial Airways—Sigmund Janas, officer and director, acquired 5,700 common shares, holding 15,110.

Hudson Bay Mining—F. L. Crocker, director, disposed of 500 common shares, retaining 17,000.

International Paper—M. G. Chace, director, held 11,100 shares of $15 par common, the same number of warrants for common and disposed of 100 shares of 5% preferred, retaining 1,600.

Chase National Bank held 150,614 shares of common, disposed of 10,200 warrants for common, while retaining 218,575, and held 2,764 shares of 5% preferred. H. A. Colgate, director, held 500 common shares and acquired 100 shares of 5% preferred, holding 500. Ogden Phipps, director, held no common shares directly but through a holding company, in which his proportionate share was not stated, disposed of 1,400, retaining 142,917 and held through a holding company 128,512 warrants for common. Through a holding company, Mr. Phipps held 27,015 shares of 5% preferred, and in trust, disposed of 400 shares, retaining 1,150.

". . . and there will always be a London"

With all the tobaccos of the world at their disposal, London tobacconists developed their famous smoking mixtures to satisfy the cultivated tastes of their patrons. Piccadilly "made in Canada" follows the true London tradition. It is nutty and full-bodied in flavour, slow in burning. Also in the authentic British tradition is the new seamless vacuum tin recognized everywhere for its value in preserving the tobacco's full aroma and freshness.

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An Important Milestone

THE three-quarter billion mark of life insurance in force,

$750,000,000

was reached by this company during the month of October.

The London Life is three times the size it was 15 years ago.

With this rapid growth in size there has been an even greater rate of growth in financial strength.

This achievement reflects a high standard of service to the public on the part of London Life representatives.

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How Nazi Stock Market is Acting

Hitler-folk Don't Seem to Trust the Mark

Something approaching a stock market boom was taking place in Germany from the start of the war until recently. Recent regulations, however, appear to have curbed the rise.

Based on an index of industrial stock prices in Germany, computed by the League of Nations, the upward move has been from just under 80 prior to the outbreak of the war to 124 in July this year, latest available figures for this index.

It does not seem to have been confidence in the German industrial setup which has been the motive behind the scramble for stocks. It seems rather to have been a loss of confidence in the mark and an attempt to secure some kind of insurance against inflation. Buying is said to have been more or less indiscriminate. Yield on some leading industrial shares has fallen to 3½%, which is the present rate the Reich has to pay for long-term loans.

Discrepancies Develop

The Economist (London) gathers together regularly what statistics are available regarding the German internal economy. They indicate a widening discrepancy between stock prices and other wholesale prices. The latter is said to be up only 5% since the beginning of the war and cost of living has increased 4% up to May this year. In contrast to the rigid controls and rationing which is in effect on wholesale prices and living costs, stock prices have not been subject to direct regulation.

Recently Dr. Walther Funk, Reich minister of economics, suggested the Boerse could not expect to remain outside the rigid war controls. In September he initiated measures to check the war boom in the stock market.

Industrial corporations, which had been buying large blocks of shares, will be forced to invest the greater part of their liquid funds in public bonds, liquidating if necessary their stock holdings.

Industrial, mining and other shares bought by business concerns since the war started are to be registered, something which is not done in Germany where no record of changes in stock ownership is kept.

Bank loans against securities — buying on margin — is forbidden and all such loans must be paid before Nov. 1.

Such measures have resulted in a decline of about 10% in German stock prices from Sept. 26 to Oct. 10.

Idle funds have been accumulating in German banks as a result of direct restrictions imposed on private spending. Deposits in German savings banks increased about 10 billion marks in 1940 to a peak of 33 billion marks. On a percentage basis the 1940 rise was 30%, which contrasts with a normal prewar increase of 6 to 10%. Such growth of idle funds was encouraged by the Nazi regime in the belief it permitted policy of undercover financing.

Government Costs High

A rise in expenditures of the German government from about 50 billion marks in the fiscal year ended March, 1939, to about 71 billion marks in the last fiscal year has been accompanied by only a slight increase in the estimated national income. A rise in war production last year was achieved by cutting civilian consumption and production to about half that of 1938. How much these figures for reduction in civilian consumption should be altered by exploitation of conquered countries cannot be estimated.

Germany borrowed close to 70 billion marks in the first two years of war, causing a rise in the national debt from 37 billion marks at Aug. 31, 1939, to about 107 billion by Aug. 31 this year. Last year nearly 54% of the total government receipts were raised by borrowing as compared with about 40% in 1939 and around 14% in 1937. How the Reich government expenditures have been financed is tabulated by The Economist.

Reich Government Finances
Tax Years Beginning March
(Billions of Marks)

	Tax rev.	Other earns.	Loans	Total govt. receipts	Nat'l. income
1937 ...	14.0	3.0	2.7	19.7	73
1938 ...	18.2	4.0	11.1	33.3	88
1939 ...	23.6	4.8	21.2	49.6	96
1940 ...	27.2	5.4	38.0	70.6	100
1941 ...	31.0	9.0	40.0	80.0	...

Resulting from the policy of reducing consumer spending, the unusual liquidity of the money and capital market in Germany permitted the country to lower its standard rate of interest for long-term loans from 4½% at the end of 1939 to 3½% now. Discount rates for short-term borrowing have been reduced from 3⅛% and 3⅝% to 2½% and 3% on six and 18 month treasury notes and from 2½% to 2¼% on three-month Reich bills.

Drastic measures have been taken for years to ensure sale of government issues. As early as 1934 the amount of dividends that could be paid in cash was limited and earnings above this limit are required to be turned over to the Gold Discount Bank for investment in government securities. This law expired at the end of 1940. On June 12 this year it was decreed that dividend payments in cash must be limited to 8% of present capital. A heavy tax on dividends over 6% and a prohibitive one on dividends over 7% was imposed.

PRESIDENT

D. I. Walker, for over 30 years associated with Western Canada Flour Mills Co., who has been elected president to succeed G. R. Cottrelle, who is retiring from the directorate owing to the pressure of his duties as oil controller.

Mars Upsets the Market

Bonds and Preferreds Prove Best "War Babies"

By R. C. STARK
Staff Writer, The Financial Post

On paper, second guessing is one of the most profitable occupations that one could desire and securities investment is no exception in this regard.

Examination of security price movements after two years and two months of war finds many early ideas of the probable trend to have been completely sent astray by the impact of actual events.

Probably the most outstanding example of this condition is afforded by the movement in bond and preferred stock prices as compared with those of common stocks.

In the early war days it will be recalled that there were many who counselled switching from securities bearing fixed incomes, in other words bonds and preferred stocks, into common stocks. The idea was, of course, that war would have an inflationary influence which would send interest rates higher and therefore mean lower prices for the comparatively low-yielding bonds and better class preferred issues of the time.

Bonds and Preferreds in Favor

Actually the opposite has transpired and the investor who was in bonds and preferred stocks at the beginning of the war now finds himself appreciably better off than the person who confined himself to common stocks. The high grade bond market has held within a very narrow range with the result that prices for Dominion long term issues are within a small fraction of their August, 1939 level with the yield, correspondingly showing only a very slight change.

A very appreciable improvement has taken place in the prices of speculative municipal bonds, a representative list compiled by The Financial Post showing a gain of 27.3% since start of war.

Accounting for this is the fact that war activity has brought new industries into many municipalities while other business organizations, already established, have materially expanded. The stimulation in general business activity has meant an improvement in tax collections and, in many cases, has whipped the financial standing of many municipalities into the best shape for years.

Corporation Bonds Gain 45%

Speculative corporation bonds have shown an improvement that exceeds even the record of municipal issues, a representative list of this type of securities currently showing an improvement in price of 45.5% over the levels prevailing at outbreak of war. Most potent factor in this great increase has been that of taxation, bugaboo of common stock prices.

With bond interest requirements figured before taxes, the sharp improvement in business profits generally has meant a materially enhanced margin of coverage for such requirements. With yields holding at a fairly stable level, this additional margin of safety for assured income has meant a higher value being placed on the bonds.

In some groups the element of speculation has entered to bring about an even sharper increase than indicated by the 45.5% increase already mentioned which is for a representative list. Bonds of the paper, elevator and some food concerns particularly have interested this type of investor.

Preferred stocks have held in a comparatively narrow range during the war months with the result that early fears that this fixed income type of security was doomed for a sharp decline have so far been unjustified.

While preferred dividends rank after sharply increased tax provision in most cases, the improvement in gross profits has proven sufficient to maintain fairly closely the margin of coverage for preferred dividend requirements. The attractive yield afforded by many of these securities has sustained the interest of those investors who have the question of income most prominently in mind.

The record of common stock prices presents quite a different picture, however. Against the stability of high grade bonds and preferred issues and the sharp price improvements of the municipal and corporation bond groups we find the D. B. S. index of 95 Canadian common stocks currently 19.2% below their price level prevailing at the outbreak of war. The trend of common stock prices here since the start of hostilities has been an improvement during September and October—generally to the best prices most of these issues have seen since—and then a small decline during November and December of 1939. In the first quarter of 1940 prices held steady but in April they started to slip and in May and June accompanying the German sweep into the Low Countries and France common stock prices cracked to the worst levels so far in the war. During the balance of last year a moderate recovery took place. Early this year prices slipped easily to May since then there has been a gradual improvement.

Transport Stocks Lead

Most spectacular improvement of any group of common stocks so far during the war has been registered by the transportation issues, prices of which have jumped 66.4% since war first broke out. The upswinging pace of Canadian industrial activity stemming from the war has meant a tremendous increase in the business of concerns such as Canada Steamships and C. P. R. Plagued with long hauls that spotty loads very often made not particularly profitable before the war, our carriers now find themselves choked with freight. Yards that used to be filled with idle freight cars now are empty, lake freighter companies this year are devoutly hoping to push the season well beyond the usual mid-November deadline into December.

Pulp And Paper Up 37%

Pulp and paper stocks, while still well below their wartime highs, are nevertheless currently some 37.2% better than their prices at the start of the war. These issues, particularly sensitive to trends in the American economy, have put up an irregular performance grading all the way from booming optimism to dragging pessimism. Shutting off of the Scandinavian source of supply has meant that the Canadian industry has had to play a larger part in the U. S. market; the exchange premium has meant an extra lift to earnings as 85% of our output goes across the border; general industrial expansion has increased the uses and needs for many types of paper. On the other hand pulp and paper manufacturers have maintained a fixed price for newsprint, their most important product, while having to battle a steadily rising tide of costs.

Supplying a vast amount of equipment for the armed forces Canadian textile and clothing firms have long been operating at record levels. Sustained by these continuing capacity operations market interest in the issues of these companies has held up well throughout all the war months with the result that the general level of prices for these issues is now 18.7% better than at the war's outbreak.

Beer and Bullets

Common stocks of Canadian beverage concerns have improved 5.6% since start of the war. Trend here has been fairly well in line with the general market but during the past few months interest in these issues has been somewhat more concentrated and the come-back marketwise has been more dynamic than the general list. Gross business for the average firms has been sharply higher but taxes have reduced the carry-through of this improvement into net profits and thereby have lessened the market price improvement for the stocks.

Machinery and equipment issues were among the most popular "war babies" when hostilities first broke out with the result that some of the most excited market buying of the time was located in these issues. While all of these companies are carrying on at a very high rate of activity general interest in their securities has waned to the point that the general price level is 9.7% below that at war's outbreak and actual prices are not very far from their wartime lows. Realization of how much of the profits that taxes are going to take coupled with a distrust of inflated wartime activity are the main reasons for the decline in this division.

Building material issues have shown a decline similar to that of the machinery and equipment group, 9.7%. Dropping of many peacetime building ventures in the interest of the war effort contracted interest in these stocks while narrow profit margins prevailing in other types of business has served to lessen the upward speculative pressure in this group.

Fixed Prices — Higher Costs

All fitting very much into the same category are the banks, power, traction and telephone and telegraph issues. In the utilities and banks the initial rise at outbreak of war was considerably more subdued than that for the general list and since that time there has been a steady decline with the result that bank stocks now are selling for 11.7% less than at the start of the war while utility issues are down 20.7%. Banks have been faced with the problem of trying to expand their income to meet higher costs while the utilities have had to maintain fixed rates against generally higher costs for operation. Telephone and telegraph concerns are in the same boat and stocks for these companies have dropped 13.3% since start of the war, this group, including Bell Telephone and Montreal Telegraph.

The food group of stocks has demonstrated comparatively little activity during the past few months and now at 17.8% below their war-outbreak level are not far removed from their wartime lows. The narrowing unit profit despite sharply improved gross turnover has been the main market deterrent for these stocks. Milling issues have been subject to sharp fluctuations mainly arising from swiftly changing events in the flour export field, Maple Leaf and Western Canada particularly showing this. While the last three or four months have seen these issues showing an improving market trend they are still 20.6% below the prices prevailing at start of the war.

Playing a tremendously important part in the war are Canada's industrial mines, occupied at capacity since commencement of hostilities in supplying great quantities of vital metals. Here again, however, prices on a large part of production have been fixed while taxes and rising operating costs have drawn off most of the benefit of the expanded operating rate. Stocks of these companies, International Nickel and Consolidated Smelters are selling 24.1% below their wartime start.

Oil company stocks showing a decline of 31.2% on the period under review reflect the many adverse conditions that have beset the industry almost since the war outbreak. Transportation difficulties have materially increased costs to these firms while government attempts to have consumption of all petroleum products reduced here have naturally had an adverse effect on these companies. Reduction in dividend rates of Imperial Oil and International Petroleum have had a strong influence on the oil stock index. A large part of our oil company operations is now directly tied up with the war effort in supplying gasoline for the Air Training Scheme and for the Army, fuel oil for the Navy and petroleum products for vital war industries. It may be assumed that the profit margin on this great bulk of government business is not so large as it would be under ordinary circumstances.

So the story of investment thus far in the war has been a decided cooling off in early speculative ardor—the hopes for great capital appreciation have been replaced to a considerable degree by a renewed interest and desire for safety and improvement in income.

Beauharnois Work Proceeds

13th Unit Complete by Next January. No Water Until Dredging Finished

From Our Own Correspondent

MONTREAL.—Beauharnois Light, Heat and Power Co. will complete installation of its 13th 50,000 h.p. generator next January, but power will not be available from this unit until dredging of the tailrace is completed. Dredging is going on steadily and will stop only with the freeze-up. It will be necessary, however to resume work next spring and, at this time, it is difficult to say just when water will be available for the new unit.

When this work is completed, the company will have reached the limit of its present programme of expansion. At present there are installed 12 units giving the big plant a rated capacity of 600,000 h.p. Half of these generators are designed for 25-cycle power to meet the contract requirements of the Ontario Hydro-Electric Power Commission. Only four are in operation. There is a possibility Hydro may step up deliveries of the balance of power due under contract, but nothing official has been done along these lines.

The remaining six units of 60-cycle power are in operation, the output being distributed to Montreal Power, St. Lawrence Alloys and other large users. The 13th unit scheduled for completion next January is also of the 60-cycle type.

There have been no further developments of consequence in respect to the provincial government's announced plans to take over the Beauharnois property. Preliminary discussions were held several weeks ago, but beyond that nothing definite has been done.

Nfld. Revenue Increases 52%

With a 52% increase in income and a 7% decrease in expenditure, the Newfoundland Commission of Government appears well on its way to fulfilling its budget objective of a $2.6 millions surplus.

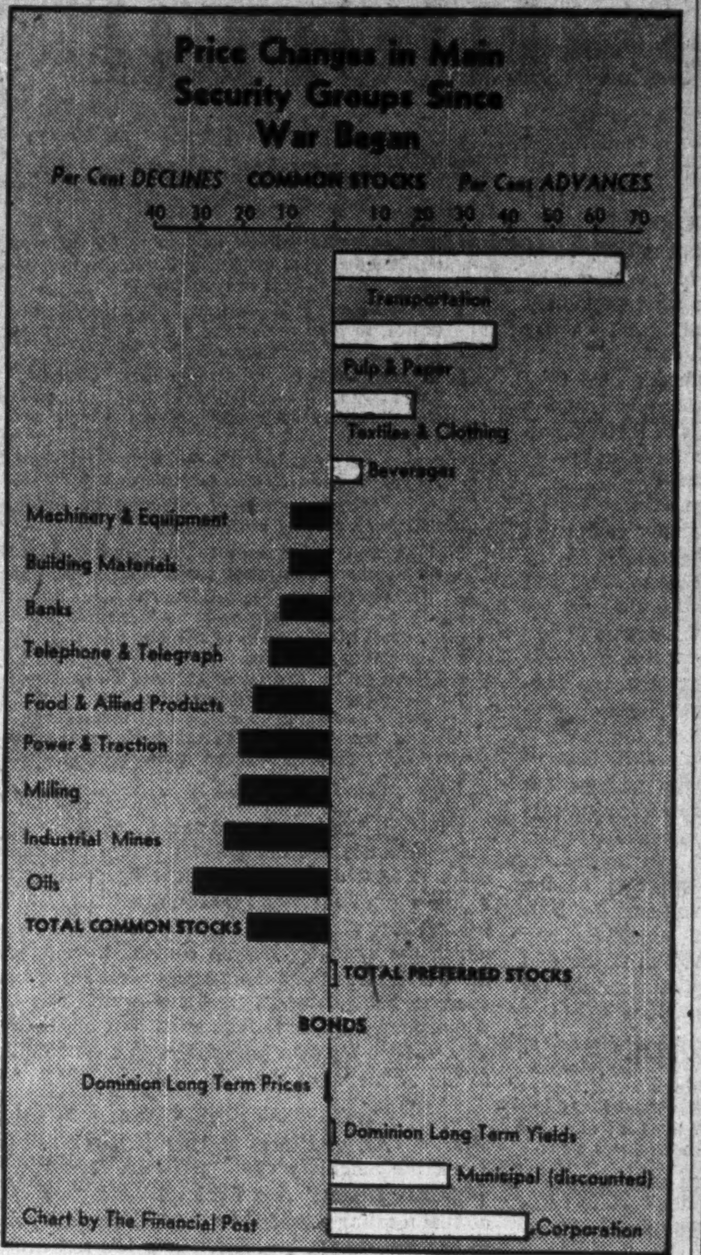
Revenue of $6.4 millions is reported by the Department of Finance in the first four months of the year, exceeding outlay by $2.8 millions. All sources of revenue yielded materially better results than last year, paced by customs collections, the island's chief revenue gainer.

In October revenue totalled $1.8 million, an increase of $659,114 over the same month last year. Outlay was down fractionally.

Revenue and Expenditure
October

	1941 $	1940 $
Revenue:		
Customs	1,483,152	923,825
Post & telegraph	88,830	63,542
Assessor of taxes	86,411	41,711
Natural resources	9,710	10,675
Other revenue	103,520	72,756
Total	1,771,623	1,112,509
Expenditure:		
General	956,060	992,577
Four Months Ended Oct. 31		
Revenue:		
Customs	5,232,128	3,377,889
Post & telegraph	313,047	240,139
Assessor of taxes	411,721	216,284
Natural resources	67,058	48,459
Other resources	345,953	292,776
Total	6,369,907	4,175,547
Expenditure:		
General	3,613,804	3,871,823
Debt charges	2,842	4,780
Total	3,616,646	3,876,603

How War Hit Various Stock Groups



Record of the varying response of Canadian security groups to war conditions is shown in The Financial Post chart above. The compilation is made from Dominion Bureau of Statistics indices with the comparison for discounted municipal and corporation bonds being from The Financial Post's own records.

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Montreal Brokers Loans Hold Steady in October

From Our Own Correspondent

MONTREAL. — Collateral loans of member firms of the Montreal Stock Exchange and Montreal Curb Market at the end of October totalled $5.7 millions, a slight increase over the previous month's figure. The current figure, however, is somewhat lower than the corresponding total at the end of October last year, when loans totalled $6.3 millions.

U. S. Cellulose Acetate Output Higher in 1941

MONTREAL.—Production of cellulose acetate in the United States for the first nine months of 1941 totalled 4.5 million lb., as against 6.1 million lb. for the like period of 1940. These figures apply only to cellulose acetate in the form of sheets, rods and tubes.

Production in the form of molding composition totalled 20.9 million lb. to the end of last September, compared with 10 million lb. for the first nine months of 1940.

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HOW TO STRETCH YOUR WARTIME DOLLARS

Here's an amazingly simple budget plan that solves many money problems

Do wartime dollars seem to buy less than peacetime dollars? Are you wondering how to make your pay cheque go farther?

Here's a plan that is helping many folks to get more for their dollars. It's built on a very simple discovery. Many families prosper through ups and downs. Yet they deny that they "budget." How do they do it? We decided to find out. We found that they *do* plan, if only in their minds, how they are going to spend their income *before they spend it*. Think it over a moment. Don't you have these three things to do with each pay cheque?

1 Put aside funds for large items, such as insurance, taxes and Victory Bonds.
2 Take care of bills from the past—debts and instalment payments, for instance.
3 Pay current living expenses.

When you get your next pay cheque, decide how much you are going to spend on each item. Decide what you must buy and what you can do without. That way you will not spend so much on one item that you haven't enough left for the others.

A spending plan will also help you save something for the future. Every dollar you put away now will build up your backlog, will give you greater protection against unforeseen emergencies ahead and more to spend when peace comes again. And by buying now only the things you must have, you help our factories produce more for war and for a quicker victory.

To help you plan your spending, Household Finance has just published The Budget Calendar. This helpful booklet makes budgeting easy and simple. No tedious bookkeeping is required. The Calendar contains a supply of "plan sheets" for every pay day in the year. You are invited to write for a free copy of The Budget Calendar without obligation. There will be no solicitation or follow-up.

Planned family spending can help win the war

Soldiers alone don't win wars. They need the help of the folks back home. Every citizen has his war duties. One of these is the duty of keeping his money affairs in order. No family—just as no nation—is strong whose finances are weak.

Thoughtless spending has no place today. This is a time to buy only what one really needs—and to borrow only to consolidate pressing debts or to meet some real emergency. Family debts should be paid up as rapidly as possible—to reduce interest charges and to preserve the borrower's credit for future emergencies. We hope that this message to encourage home money management will contribute to greater family financial strength and a greater war effort.

B. E. HENDERSON, PRESIDENT

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The Editorial Page . .

Another SEC Wanted?

Pulp and paper is one of the most important manufacturing industries in the Dominion. This fact is appreciated by the public, but not any more so than by the tens of thousands of investors who have financed the industry. Year after year they continue to show the utmost confidence, waiting for the day when their "ship will come in." They have complained but little, considering how they have been treated in reorganizations and to the fact hundreds of millions of dollars of their capital have been unproductive in that there has been little or no return on the investment.

Because these shareholders have been quiescent, managements of many pulp and paper companies have come to a point where seemingly they regard the property as something belonging to them and not to the shareholders. With two exceptions, the managements' only report to the shareholders is at the year-end. Throughout the balance of the year, the owners of the property have no idea whether their company is progressing or retrogressing.

This situation indicates a deplorable lack of foresight on the part of those who manage our pulp and paper industry. It is surprising considering the high type of men who manage it. The situation has not gone unnoticed. In its current bulletin Greenshields and Co., members of the Montreal Stock Exchange, give voice to the feeling of thousands of pulp and paper security holders. After pointing out that Abitibi Power and Paper Co., in receivership, supplies monthly information on earnings and output, it is said:

"Why managements of the solvent members of the Canadian industry do not voluntarily supply corresponding information is possibly one of those mysteries that may only be solved if anti-corporation agitation, of the kind that brought the SEC and its many headaches into the American business situation, gets under way here."

The point is well made. Why don't these companies supply the same information to their shareholders? There is no good reason why it shouldn't be done; no competitive advantage is to be gained by such disclosures, otherwise Abitibi would have abandoned the practice long ago. There is need for corrective action. It will be better for corporate companies in the pulp and paper industry, as well as in other industries, to give such information voluntarily, rather than waiting to be forced to do so by government regulation. The industry is great; but not so great that in today's world the public will continue to accept the antiquated policy of limiting shareholders to the legal minimum of information on their own property.

Payroll Termites

One of the management problems created by the war is payroll deductions. It is not simply the extra work involved in book-keeping, but the effect on the morale of the worker. When John Doe after a week of work involving a lot of overtime steps up to the wicket for his pay envelope and finds therein not the $45 he expected, but only $39, he is a disappointed man. He knows his basic wage rate, how many hours he has worked, but what he receives in wages is the net and not the gross amount.

In peace-time the matter of payroll deductions is not overly important. There may be deductions for group insurance, pension fund or a sickness and benefit fund. In each case the worker has been fully informed beforehand so that there is no possibility of a misunderstanding. In the last couple of years, however, there have been added many new charges—National Defense tax, unemployment insurance, war savings, etc. With some manufacturers these deductions number as high as 12.

Management has been so concerned in stepping up production to meet the demands of war, that more often than not it has overlooked the psychological effect of the payroll deductions on the worker. Without question they have been a contributory factor to labor troubles experienced in recent months. The average worker is a reasonable fellow and when he understands does not complain. Where misunderstandings are allowed to develop, however, these payroll deductions, like termites, tend to break down the foundation of friendly relations between employer and employee.

Many companies are aware of the problem. They are trying to educate their employees as to the reason for the deductions; where the money goes; in fact, doing everything they possibly can to make him understand that subtractions from the payroll are, more often than not, something over which the company has no control. Considerably more will have to be done along these lines, however, to bring home to the worker the fact that while these deductions take away part of his earnings, it is in his own interests or is a contribution to the financing of the war.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

I.D.A. Plans Better Future

At the Seigniory Club last week Canada's Investment Dealers' Association held a "working" annual meeting attended by most of the senior men in the investment business. This has not always been the case. Members seemed sometimes more interested in play than in work.

Result of the changed attitude should appear before the year is out. First place in the discussion last week, naturally, was the part played by the investment business in financing the war. Discussion turned not only to what had already been done but even more to what might be done to improve this service in the future. Last summer nearly 2,000 investment men gave their full time to assuring the success of Canada's Victory Loan. They served in all capacities, from the Dominion executive down to the organizer in the rural districts. But in almost every case it was primarily as an organizer in the 105 divisions into which Canada was divided and which were again subdivided into 767 units.

The I.D.A. today is interested in keeping open Canada's channels of security distribution. For the country this means success for future war loans; for the dealers themselves it means, among other things, that they will be here after the war is won to offer jobs to the estimated 25% of their staffs who are on active service.

The programme adopted for this year emphasizes the need to keep the I.D.A. up to date. It recognizes the existence of change in our economy and is geared to the new conditions. It is a more aggressive policy than has existed in the past in that it aims at finding ways and means to let the public know the service that the business has always given and will continue to give to Canada.

Social Credit Invades Quebec

Cardinal Villeneuve's open attack on the Social Credit movement gives public recognition to the importance which this political organization has reached in Quebec's affairs. In a letter to the clergy of his archdiocese, the Cardinal forbade the clergy or members of religious orders to attend any Social Credit meetings and warned laymen that those "who affiliate themselves with creditist groups do so at their own risk and expense."

This action does not come altogether as a surprise. Social Credit is both a social and political movement, the promotion of which must inevitably come in conflict with the Roman Catholic Church. The Cardinal's attack is understandable, but, of possibly greater significance, is the recognition given to a movement which to date has been primarily associated with Alberta.

For several years, the Social Credit movement has been active in Quebec. It has no recognized leader but it has not lacked for evangelists. To date it has not been a political force, but the strength which it has gained in number of adherents, both secular and lay, has reached a point where it can no longer be ignored.

On the surface the Ancient Province is still the stronghold of conservatism, but underneath there is a strong agitation for political and social reform. It is to that spirit Social Credit has appealed and apparently, not altogether unsuccessfully.

This underground movement of Social Credit has reached a point where it could become a political force, if not under its own leadership, then under that of the CCF, which is also striving for social and political reform. Political leaders are aware of the situation. The Church, as evidenced by the Cardinal's letter, can no longer ignore it.

Restraint on Improvement

So-called big business in the United States has long been the traditional victim of periodical combine witch hunts. Now under energetic Thurman Arnold, head of the U. S. Department of Justice's anti-trust division, bigger game is being unearthed.

Through their boycott against labor-saving methods and devices and their enforcement of artificial price-fixing arrangements, certain labor unions in the States, declares Arnold, are holding up American consumers to the tune of a billion dollars a year.

Though still blocked by the new deal Supreme Court, Arnold hopes to get new legislation passed that will permit him to prosecute for restraint of trade.

In the construction industry especially, abuses are declared rampant. In many cities unions bar paint-spraying machines and even limit the size of brushes to be used. The same is true in regard to shovels and in Chicago at least one union has been successful in preventing the use of ready-mixed concrete. Factory assembled electric switch boxes are not accepted by some unions who insist that these must be taken apart and reassembled before they will permit installation. Certain other unions stipulate that practically all carpenter work must be done by hand and on the job. Though factories are perfectly capable of turning out built-in kitchen cabinets for as little as $22 to $25, in many cases the unions order that all such installations be built and put together by hand at three times the cost. Pre-fabricated roofs and sidewalls in low-priced housing construction, it has been proven, can be turned out for two-thirds the cost of hand jobs yet such modern practices are barred.

While this sort of thing is generally believed to be more prevalent in the racket-infested cities of the United States, there is no guarantee that we have been altogether free from it in Canada. With every bit of our manpower needed for the full prosecution of the war, we certainly cannot afford to be doing any unnecessary work.

Editorials in Brief

Rationing may not be the best policy of conserving gasoline but at least it is a definite step. Voluntary curtailment of gas during the last few weeks has been a farce.

* * *

Had Lord Halifax thought to say it, a perfect answer to the women who threw eggs at him in Detroit would have been—"If Hitler wins the yolk will be on you."

* * *

If published, please edit, directs a writer of a letter to the editor. In these days when so many public men seek refuge in the alibi, "I was misquoted," it is a relief to find one citizen who is willing to trust even his opinions to the mercies of a newspaperman.

* * *

Nazi Germany never made any pretence of keeping her word with any unconquered power but even with a slave and puppet the same rule applies. Months ago France was promised a 25% cut in the $8 millions a day occupational charge but this staggering charge goes on undiminished.

IS HE TALL ENOUGH FOR THE NEW ARMY?

—Cartoon by Grassick

Post-Scripts . . . . .

Food Czar

Selection of Hon. J. G. Taggart, Saskatchewan's minister of agriculture as food control administrator for the Dominion connects one of Canada's youngest and most vigorous type of cabinet men with one of the toughest jobs in the Dominion. Mr. Taggart gives one the impression he has no time to waste on trivialities and his forcefulness of character in this direction seldom allows his mind to stray far from the matter in hand.

J. G. TAGGART

During the days of the drought in Saskatchewan when there were as many prophets and panacea experts as there were grasshoppers, Mr. Taggart refused to be stampeded. He had one solution only for the curing of the drought and alleviation of farm distress and it was rain and more rain and a higher price for wheat. He cautioned farmers about accepting too readily the quack-cures offered them and urged them to go back to the Bible and read the story of Joseph in Egypt. In other words they should prepare for lean times when crops are good.

Mr. Taggart is a Nova Scotian, Parrsboro being his birthplace and one could almost say he still has a salty tang about him in spite of the years he has put in on agriculture in eastern and western Canada.

He was born in 1892 and obtained elementary education at River Herbert and Truro. He attended Truro agricultural college and in 1912 graduated from the Ontario Agricultural College at Guelph. Then followed almost two years in extension work with the Ontario Department of Agriculture after which he moved west to Alberta. Here Taggart was appointed to the staff of the agricultural school Vermilion, later moving to Olds and still later to Swift Current. In 1934 he was elected to the Saskatchewan Legislature.

Absorption of Hon. J. G. Gardiner, the premier of Saskatchewan at that time into the Ottawa Cabinet left the agriculture portfolio open and Mr. Taggart was the best man for the job. He has lived through one election as minister and has seen farming life in the raw during the last 10 years in Saskatchewan. He has been face to face with realities ever since he was made minister and his opponents have found little on which to criticize his work.

Latterly he has been operating more in the federal than provincial sphere. He has been chairman of the Bacon Board almost since its inception and in that post has been chiefly responsible for trebling our bacon export to Great Britain.

Mr. Taggart will be on loan to the federal government as price control administrator which means he may continue as minister of agriculture in Saskatchewan and also hold his Bacon Board post.

* * *

Still Quarterbacking

H. E. (Shrimp) Cochran made a great name for himself as quarterback for those famous Toronto Argonaut rugby teams of 1919, 1920 and 1921—championship years all of them. These were the teams that had in their backfields such all-time greats of the Canadian gridiron as Lionel Conacher and Harry Batstone—men to whom Cochran is the first to give a major share of the credit.

This year Shrimp Cochran—20 years older but still a man who works hard and plays hard—is quarterbacking for the Investment Dealers' Association of Canada. He is the newly elected president of this association in a year that promises problems harder and more vital than any he faced as a member of those famous football teams.

Cochran was born in Toronto in 1895. He was educated at Upper Canada College, Trinity College Schools and Royal Military College. Entering R.M.C. in 1913, he only completed about six weeks of his second year before he enlisted in the army, obtaining a commission with the Royal Canadian Dragoons.

Back from the war in June, 1919, he entered the investment business with the former firm of Aemilius Jarvis & Co. which he left in 1923 to start his own firm as Cochran, Hay & Co. The present name of Cochran, Murray & Hay was assumed in 1931 for the stock exchange end of the business with the bond business carried on by Cochran, Murray & Co.

Cochran says that his enemies are the only people who do not call him by his nickname of Shrimp. This nickname was permanently attached to him when he was a school boy attempting to break into the games played by some older—and larger—boys among whom his older brother was a leader. He says they permitted him to play with them if he would agree to carry the cricket bat which was almost as tall as he was. This older brother, by the way, also preceded Shrimp as another famous quarterback for the Toronto Argonaut rugby team.

He is vice-president and a director of Great West Saddlery Co., and a director of Disher Steel Construction Co.

* * *

Surgeon Banker

Dr. John George MacDougall, M.D., recently appointed a director of the Bank of Nova Scotia, has practised medicine in Nova Scotia for the past 43 years, and is a prominent Canadian surgeon. A native of Blue Mountain, Pictou county, where he was born on Mar. 3, 1869, he received his early education in his home county, gained his medical degree at McGill University where he was Holmes Gold Medallist, and took postgraduate studies in Edinburgh and London. He is a fellow of the Royal College of Surgeons of Canada.

Dr. J. G. MacDOUGALL

Starting his medical practice in the border town of Amherst in 1898, Dr. MacDougall spent 16 years there, and in 1914 came to Halifax where he has resided ever since.

He served as an examiner in surgery for the Medical Council of Canada for 12 years and since then as a member of the Council. As vice-president of the American College of Surgeons he headed a goodwill mission of surgeons on a visit to South American medical institutions in 1923. On that occasion he was made an honorary fellow of the Academy of Medicine, Rio de Janiero.

At Halifax Dr. MacDougall has been actively associated with the Dalhousie Medical School as professor of surgical and clinical surgery, with the Victoria General Hospital as staff surgeon and as visiting surgeon to the Halifax Infirmary. During his 28 years in the Nova Scotia capital he has played an active role in the life of these three medical institutions.

Apart from his energies in the medical field, Dr. MacDougall found time for other activities. He is a member of the Board of Governors of Dalhousie University and has always been keenly interested in education. At Amherst he [illegible] active in the life of the town, being a member of the Town Council and for two years chairman of the School Board.

A Liberal, Dr. MacDougall's one fling into politics was in 1925 when he contested the N. S. Legislature seat for Halifax City and County, losing out in a Rhodes-led Conservative wave.

Dr. MacDougall is a president of the Maritime Life Assurance Company, of Halifax, and a director of the Halifax Insurance Company. In 1935 he was awarded the King's Jubilee Medal.

In 1899 he married Emily Hannah Louise, daughter of Everett Pearson Jones of Ottawa, and they have two children, Jean, wife of Lt.-Col. Robert D. King of Halifax, who is now with the Canadian troops in England, and John. The latter is well known to Maritime sport fans as a former star rugby player and swimmer.

Stop Me If . . . .

English newspapers are attempting to operate with press censorship such as described in this story from Newspaper World, London:

"Once upon a time there was a Ministry of Information carrier pigeon. And as it was flying leisurely to its destination it was jostled by a second pigeon which bawled: 'Get a move on. I've got the denial!'"

Other People's Views . . . . .

The Canadian Editorial of the Week

Alternative is Inflation

Vancouver Sun

After taking time to consider it, the press of Canada seems almost unanimous in its approval of the government's new price-and-wage policy. But on all sides we hear the warning that the policy will be extremely difficult to enforce. Of course it will be. To say that the policy is difficult is no argument at all, for any alternative policy would be difficult also, and the most obvious alternative, sheer inflation, would be ruinous.

Whatever policy the government pursues we are in for hard times in Canada, for belt-tightening, for a decline in our living standards, for inconvenience and interference. The price-and-wage policy is not designed to improve our lot. It is designed to prevent our lot from becoming intolerable. It will not succeed unless they realize that they alone can make it work.

The individual Canadian, the wage-earner, the housewife, will make or break this policy. The government can only give leadership. If the people refuse to follow, it will be they who will suffer.

* * *

As Others See Us

Whose Surplus

Acton (Ont.) Free Press

The Financial Post makes the following comment that will be endorsed by most folks and especially by those who in good faith loaned that province funds and now receive only half the interest payments due.

"Once again Alberta reports an overall 'surplus,' this time of $2.3 millions. In reality, the province has a deficit of about $1.5 million if charges for its contracted debt obligations are included. The surplus is a straight steal from those whose money has helped develop the province.

"The incomes of Alberta's citizens in 1940 totalled $286 millions, more than $100 millions above the level preceding the province's default. It would take about one cent on the dollar of the current provincial income to meet full debt charges. If the current surplus were restored to the province's creditors, square dealing would cost about half a cent of the income dollar."

* * *

In the Dark

Smiths Falls Record

Oil Controller Cottrelle has been making a lot of speeches and issuing a multitude of orders but the Canadian public is still in the dark regarding many of the facts that should be known about the actual oil situation, states The Financial Post. In the dark is right!

* * *

Postwar Problems

Vernon News

Though the war appears far from won, some of the problems that will descend like a chill mist over postwar Canada are already beginning to appear. In this connection, a review of some aspects of the Canadian economic position, in a recent edition of The Financial Post, Toronto, provides food for consideration.

The Financial Post points out that the new preponderant industrial provinces of Ontario and Quebec will become even more highly industrialized, thus greatly increasing their economic power and consequently their political influence within the confederation.

This also means that Canada's external trade policy will be affected. The central provinces will not only wish to have protection against manufactured goods they will be looking for markets for their exportable surpluses.

What the Papers Are Saying

Conservative Party

Winnipeg Tribune

If the Conservatives are going to play their just part in the nation's affairs, they clearly must settle these problems of leadership and programme. Temporary expedients will not do.

Winnipeg Free Press

The tempo of Canada's war effort, already the greatest effort this country has ever made, must be accelerated and accelerated. Mr. Howe gave the house a splendid summary of how our gun, tank, airplane, munitions and ship production has started to roll. There is no reason for any Canadian to be at all ashamed of his country's war effort to date, but every Canadian must be made to realize that we have only just begun to fight, to produce and to sacrifice.

* * *

Americans Want Facts

Vancouver Sun

Canada has been so diffident or incompetent about giving Americans the facts that the Minneapolis Star Journal finds its readers pitifully ignorant about the whole Canadian situation. Some of them, says the Star Journal, think that Canada is a dependency of Britain, paying taxes to the British treasury. Few of them know what Canada is doing in the war, or trying to do.

Ottawa Journal

American newspapers want something more than second-hand reports from the papers of this country. They want our progressive stories—carried on from day to day as situations develop—translated into concise, objective reports with enough background so that their significance can be grasped.

They just will not give the time and effort which would be necessary to keep up with the facts from our newspapers, and it is no use assuming that because the material is available in the papers of Ottawa, Montreal, Toronto, Winnipeg and our other cities the papers of New York, Atlanta, San Francisco, Reno and a thousand other points will make use of it.

Nor is it merely a matter of our pride being injured. Every American who believes Canada is only half in this war is an advocate of U. S. isolation. "Why," they ask, "should we fight the Empire's battles when parts of the Empire are not themselves fighting?" Multiply this question by perhaps one-half the number of the people in the United States and you can imagine the cost to our cause of our wilful neglect of this responsibility.

* * *

The War Effort

Toronto Globe and Mail

Long ere this all Canadians should have been placed where they could give the best service to the nation. It was thought this would follow the general registration of a year and a half ago, but nothing of the kind has been done; and the need for it is day by day growing more insistent.

Montreal Gazette

Prime Minister King announces that steps are under consideration to check the movement of Canadian lumbermen into the United States. It is to be hoped that such consideration will lead to the immediate adoption of measures that will correct a scandalous condition.

Leonard O'Brien, the member who raised this question in the House of Commons, asserted that a serious labor shortage exists in eastern Canadian camps and that two thousand men are reported to have crossed into the United States in the past fortnight, bringing the total up to a possible seven thousand. This is altogether amazing and a very serious reflection upon those responsible for the conservation of industrial manpower in this country. Investigation is needed.

* * *

Sayings of the Week

"We have passed through the darkest and most perilous period of the war and are once more masters of our own destiny."—*Winston Churchill.*

* * *

"In another few months—another half year or one year, perhaps—Hitler's Germany must burst of its own weight of crimes."—*Joseph Stalin.*

* * *

"There is one thing American people have got to do: Adjourn politics; stop it; shut it off, whether it is in national government or labor unions."—*Al Smith.*

* * *

"Even in the wildest dreams I ever had I never thought that inflation could be controlled by legislation."—*Hon. R. B. Hanson, leader of the Opposition in the House of Commons last week.*

* * *

"We are returning to Canada more convinced than ever that if we expect to halt and overcome the Nazi hordes, everybody has got to sacrifice a great deal more than at present. This race is going to go to the swift. There is no time to be lost. The only way to win is through sheer totality of undertaking."—*Joint statement by group of Canadian newspaper editors on return from trip to Britain.*

British Market After the War

Vancouver Sun

Canada, says Mr. King, must choose now between guns and butter. The choice has been made already in favor of guns. One of the reasons why we must have less butter—using that term to cover all sorts of consumable goods—is that we are going to ship enormous quantities of foodstuffs to Britain. The Financial Post has been surveying our food plans and it finds virtually all Canadian agriculture, apart from wheat, geared to a vast new war market in Britain.

It is true that Britain cannot pay for all its imports, and Canada does not want payment, but the farmer is paid for his production which goes to Britain, partly by the Canadian taxpxayer. In any case he is building now on the British market, increasing his output of bacon, eggs, milk and other foodstuffs solely because they can be shipped to Britain.

When the war is over is this business to be lost? Is the farmer to be told that the British market has declined and he must reduce his livestock and his acreage? Obviously he will lose a great part of his present British market if we ask Britain to pay in cash after the war. Britain can pay—when its own productive machine is back to normal—only in goods. Will Canada be willing to accept the goods? Or will it keep them out, as usual, by tariffs? Will Canada try to maintain a one-sided bargain, selling Britain far more than it buys there?

Britain, impoverished by war, cannot trade again on the old, unequal basis. Either we must buy more from her or she will buy less from us.

"This country will never be defeated so long as the navy, with its air arm, and the splendid mercantile marine keep open vital sea routes."—*Lord Strabolgi, speaking at Hanley, England.*

The Financial Post

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The Week in Business

Current business after a minor statistical decline a week ago, resumed its upward trend, according to the D.B.S. index of business activity, and is now nearly 12% higher than year ago. Of the six components of this index, four, (bank clearings, capitalized bond yields, wholesale prices, and carloadings), showed increases while minor declines were registered in prices of common stocks and number of shares traded. By this index, business activity rose from 111.4 for week ended Oct. 25 to 113.3 for week ended Nov. 1. Year ago the index stood at 101.7.

National income in Sept. was $443 millions against $446 millions in August and $393.2 millions in Sept. 1940. In July of this year D.B.S. estimated national income at $448.8 millions.

Railway carloadings from Jan. 1 to Nov. 1 showed a rise of 13.8%. In the week these were 72,936 cars vs. 72,944 in previous week, and 59,740 in corresponding week year ago.

Railway gross traffic earnings in August were $46.5 millions as against $37.4 millions in August 1940.

Agricultural production shows increases all along the line, with flour output up 33.4% in year to Sept. 30; cattle sales up 5.5% and hog sales up 19.7% in year to Oct. 30.

Coal imports and production continued to rise. Production in Sept. was over 1.5 million tons, against 1.3 millions in same month year ago. Imports in like months nearly 3 million tons against slightly over 2 million year ago.

Trend of Business shown by The Financial Post Business Index and key factors follows. New items for the week marked thus ▪.

TREND OF BUSINESS—	**Nov. 1**	**Oct. 25**	**Oct. 19**	**Oct. 11**	**Nov. 2/40**
Weekly index of business, D.B.S.	113.3	111.4	112.1	111.0	101.7
Commodity prices, index no.	93.7	93.6	93.5	93.6	83.6
	Oct.	**Sept.**	**Aug.**	**July**	**Year Ago**
The Financial Post business index	....	*167.4	162.5	158.9	147.4
▪National Income, D.B.S.•	....	443.0	446.0	448.8	393.2
Retail sales index no.	....	136.6	140.5	134.9	116.5
Dept. store sales index no.	....	....	145.8	132.5	116.6
▪Wholesale sales index no.	....	170.8	156.6	147.1	133.2
Country store (% change pr. yr.)	....	+11.9	+11.3	+13.2	—10.7
Divd. payment index♣	118.2	118.4	118.6	118.4	122.9
COST OF LIVING—					
D.B.S. index	115.5	114.7	113.7	111.9	107.0
EMPLOYMENT INDEX Nos., O.B.S.	**Sept. 1**	**Aug. 1**	**July 1**	**June 1**	**Year Ago**
All industries	....	160.6	157.4	152.9	127.9
Manufacturing	....	176.9	172.5	168.0	134.4
▪Payroll index (a)	175	173	170	....	134
			Jan. 1 to date		**%**
RAILWAYS—	**1941**	**1940**	**1941**	**1940**	**Change**
▪Carloadings (week Nov. 1	72,936	59,740	2,683,459	2,356,430	+13.8
▪C.N.R. gross (week Nov. 7) $	6,630,653	5,133,061	255,703,194	206,533,951	+23.8
▪C.P.R. gross (week Nov. 7) $	4,659,000	3,774,000	184,693,000	142,513,000	+29.6
C.N.R. net revenue (Sept.) $	6,393,072	3,927,467	48,589,326	27,968,316	+73.9
C.P.R. net revenue (Sept.) $	3,466,552	2,985,540	29,727,671	20,289,975	+46.5
IRON AND STEEL—(September)—					
Pig iron production (tons)	111,757	105,020	945,108	839,456	+12.5
Steel ingots and castings prod. .... (tons)	200,559	164,515	1,749,056	1,464,548	+19.4
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Sept.)	3,785	3,572	72,511	80,571	—10.0
Factory output .. (Sept.)	2,548	3,410	74,756	80,496	—7.1
Trucks and Buses:					
Domestic sales* .. (Sept.)	1,928	2,011	28,588	23,428	+22.0
Factory output .. (Sept.)	11,948	12,065	134,457	74,386	+80.8
Financing:					
Used .... (Sept.) $	3,762,460	3,258,877	42,220,522	32,865,514	+28.5
New .... (Sept.) $	2,098,983	2,015,926	30,714,190	25,902,900	+18.6
CONSTRUCTION—					
Contracts awarded . (Sept.) $	39,363,800	52,260,000	322,909,100	247,749,000	+30.3
Cement prod., bbls. (July)	944,000	983,000	4,296,000	3,711,000	+15.7
AGRICULTURE—					
▪Flour prod., bbls. .. (Sept.)	1,647,910	1,635,849	15,633,874	11,717,842	+33.4
Flour exp., bbls. .. (Sept.)	661,014	550,754	9,481,375	5,192,380	+82.6
Wheat exp., bush. .. (Sept.)	11,341,041	9,499,854	144,429,658	100,470,813	+43.7
▪Cattle sales▲ .... (Oct.)	146,993	151,889	992,437	940,344	+5.5
▪Hog sales▲ .... (Oct.)	607,494	675,574	4,923,203	4,112,414	+19.7
SEA FISHERIES—‡					
Catch cwts.▲ .... (Aug.)	1,794,800	1,336,300	7,070,600	7,492,000	—5.6
Landed value ...... (Aug.) $	4,991,500	2,975,000	17,495,830	12,730,200	+37.4
NEWSPRINT—					
Production, tons .. (Sept.)	298,276	282,322	2,505,947	2,573,605	—2.7
Exports .... (Aug.) $	13,180,000	14,341,000	99,290,357	95,641,845	+3.8
MINING AND OILS—					
▪Coal prod., tons ... (Sept.)	1,577,872	1,366,196	12,580,832	12,282,994	+2.4
▪Coal import, tons .. (Sept.)	2,913,136	2,072,114	14,283,315	13,648,566	+4.6
Gold rec., fine oz. . (Aug.)	430,878	444,033	3,423,941	3,290,803	+4.0
Crude oil, imp. gals.† (Aug.)	....	....	1,007,200	904,216	+11.4
ELECTRIC POWER OUTPUT—(September)—					
Total monthly, 1,000 kw.h.'s	2,866,647	2,399,678	23,900,261	22,483,592	+6.3
FOREIGN TRADE—♦					
Imports .... (Sept.)	$136,991,167	86,286,828	1,047,896,396	768,719,704	+36.3
Exports .... (Sept.)	$142,896,619	102,778,202	1,184,607,037	869,311,971	+36.2
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Sept.)	291,129	276,912	1,726,815	1,788,363	—3.4
▪Shoes, prod., pr. .. (Sept.)	3,027,252	2,484,668	23,833,552	19,454,317	+22.5
Cotton consump., lb. (Sept.)	17,125,874	14,286,921	147,249,878	141,498,970	+4.0
Raw rubber imp. lb. (Aug.)	....	....	88,962,399	62,022,360	+43.4
Cigarette cons., No.† (Sept.)	865,957	597,291	6,263,493	5,565,072	+12.5
Sugar manufactured .. lb.§	112,873,617	92,174,302	779,367,254	712,519,894	+9.3
FINANCE—					
Bank debits† .... (Sept.) $	3,300,731	2,571,236	28,502,328	24,653,180	+15.6
Bond sales† .... (Sept.) $	62,448	401,159	1,530,674	1,742,986	—12.2
Life insurance sales (Sept.) $	33,975,000	26,156,000	295,019,000	267,381,000	+10.3

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ▪
†000's omitted. §For four weeks to Oct. 4. ♦Gold excluded.
•Millions of dollars. *Final. ♣Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce.

Old-style Candle Holders War Need – Believe It or Not

Demands of war create a shortage in most commodities, but who would have thought this extended to such relics of the past as the old-fashioned candle holder?

Evidence that this is so is contained in the following letter published by Hardware and Metal:

"We are trying to locate some old-time candle holders, and we have not had much success so far, locating them among manufacturers and wholesalers. Thought an item in Hardware and Metal might result in our securing some from among dealers who may still have some old-timers in stock. The hospitals are trying to have everything lined up, so if anything happens, and the lights are shut off, they will be equipped with a candle holder in every room, with extra supply of lanterns and flashlights. We have everything but the candle holders, and will appreciate hearing from any dealer or wholesaler who may have some of these in stock.

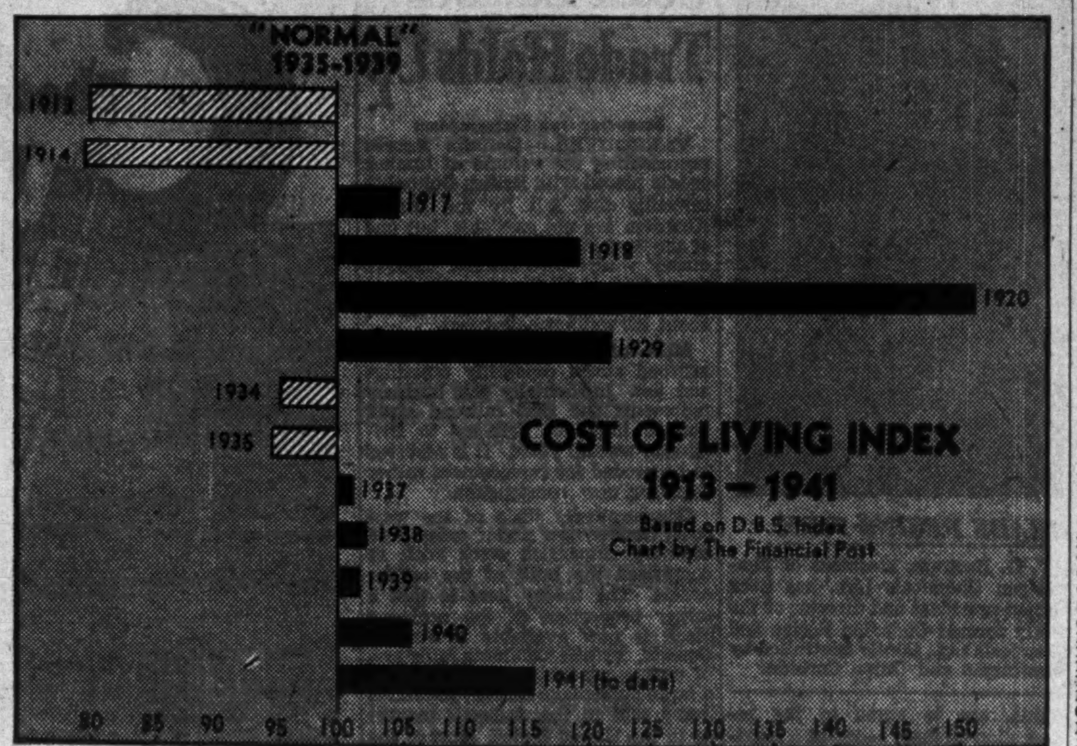
"E. WANLESS, Wanless Hardware, Chatham, Ont."

CAN YOUR *ESTATE* AFFORD

to assume the obligation of paying *all* of the greatly increased succession duties? In many estates it is now important to consider the alternative methods of payment. Our officers will be glad to discuss the most practical way for your estate to meet this important problem.

THE TORONTO GENERAL TRUSTS CORPORATION
Head Office: 253 Bay Street, Toronto

Living Costs Well Below 1920 Level



Cost of living, as shown by the Dominion Bureau of Statistics was last reported at 115.5, with 1935-1939 taken as 100. The above chart indicates that at this level it is still well below the 1920 mark of 150. Theoretically, when Canada's price ceilings are put in force, this index will remain within definite and fairly narrow limits.

Oil for the Tanks of Japan

Nippon's War Lust Abated by Increasing Oil Shortage

"The modern state is unable to exist without oil. If Japan is no longer able to obtain oil from the United States and the East Indies by ordinary means, Japan will have to obtain it by extraordinary means, even if this should prove dangerous."

Here briefly is Japan's oil situation as presented recently by The Economist, London, and Fortune Magazine.

Nichi Nichi, great Tokyo newspaper, in this bold proclamation last week highlighted the weakest spot in all Japan's war economy—oil for its great navy and industrial machine.

Despite extensive searching for new domestic resources, in its own islands, in the shale beds of Manchukuo, on Sakhalin Island; despite great expansion of its synthetic oil producing facilities Japan's oil balance sheet still shows an operating deficit. Offsetting that deficit have been heavy importations from the United States, Netherlands Indies and some imports from Mexico. While actual figures are obscured by official design the Japanese 1940 oil operating statement probably was close to this:

Japan's 1940 Oil Operating Statement
(In Millions of Barrels)

Natural production (including Manchukuo and Sakhalin Island)	4.5
Synthetic production	8.5
Total domestic production	13.0
Less: Civilian requirements	4.0
Military requirements	16.0
Operating deficit	7.0
Add: Imports from U. S.	23.0
Imports from Netherlands Indies ..	3.5
Imports from Mexico	.7
Surplus for year	20.2

Vastly different from those figures, however, is Japan's oil picture this year as embargoes by the democracies have cut Nippon's oil imports to a dribble. Appeasement of Japanese war lords to prevent war from spreading to the South Pacific ended this summer with freezing of Japanese assets in Britain, the U. S. and the Netherlands. Not only did this cut off the important American supply but suspended an agreement with the Netherlands Indies whereby Japan this year was to get something like 13,500,000 barrels, or four times as much as in 1940. The Mexico situation is not important as this is a long haul and, at any rate, the type of crude produced in Mexico is understood to be not particularly suitable for Japanese needs.

Realizing its vulnerable position in relation to this precious commodity Japan for years has been building up its stocks with the result that it is now believed to hold between 80 and 90 million barrels in reserve. Sufficient for four years at current rate of consumption this supply would stretch out to possibly two years in an all-out war with the democracies. This does not take into account the destruction that might be wrought both to Japan's producing facilities and her stores by democratic bombers in the event of war.

If Japan seeks to control new oil sources by force she must turn south to the Netherlands Indies. But between her and that target stand many tough British and Netherland troops, Singapore, a strong democratic fleet, the possibility of drawing the United States into the conflict, and then the probability of winning only wrecked oil wells. In addition to all this would be the difficulty in protecting the long sea route home from enemy raiders.

Realizing all these difficulties Japan's leaders today are seeking to negotiate rather than fight. In its quest for more oil and lifting of the democracies' embargoes, Japan has so far fought with words, not with deeds. This week in Washington special envoy Saburu Kurusu has come to probe further possibilities of negotiation. On results of his talks hangs much of the immediate trend of events in the Far East.

Canadian Yeast Process Adopted By U. S. Firm

Adopting the process used for several years in Canada, a United States firm has been organized in Wilmington, Del. to build a chain of plants for the manufacture of yeast from the waste sulphite liquor of paper pulp mills. The new firm Orsyn Corp. has not revealed exact location of its proposed plants, other than the fact that they will be built adjacent to pulp mills.

In normal yeast production, basic food used to maintain the yeast buds, is molasses. But in 1929 a Swedish scientist named Heijkenskjold completed work on a process for utilizing the wood sugars in the pulp liquor thrown out by all pulp mills.

For five or six years yeast plants have been successfully operating in Canada—one at Liverpool, N.S., and the other opened last year at Thorold, Ont., both adjacent to big pulp mills.

Briefly, the process consists of piping the liquor, high in sugar content, directly from the pulp mill to large tanks where it is neutralized, pumped full of air, and treated with limestone and soda to reduce its acidity. It is then allowed to settle for 24 hours or so, and the resultant clear liquid containing about 7.5% lignin, calcium, and sulphur and 2.5% sugar is drained off into fermentation tanks. From here on the process is much like that in which molasses is used. The fermented liquid acts as a host to the yeast cells. As the yeast grows, it is washed, pressed in a filter press, to about normal dry consistency, cooled and packed in cakes. Every ton of waste liquor yields about 40-55 pounds of yeast.

Waste liquor from pulp mills is satisfactory to the yeast maker, not only because it is cheaper, and offers a plentiful supply. It has also been processed and cooked to such an extent by the pulp makers, that it is completely free from the many kinds of bacteria which are deadly to the delicate yeast cells.

Canadian production by this process is dominated largely by Best Yeast Ltd., which five or six years ago opened a plant at Liverpool, N.S., and arranged a long term contract with Mersey Paper Co. Ltd., for a supply of the waste liquor needed. Last year the company decided to expand into the Ontario market, and established a new plant at Thorold adjacent to the newsprint mill of Ontario Paper Co.

Quebec Power Co. Reduces Size of Board

From Our Own Correspondent

MONTREAL.—At a special meeting of Quebec Power Co. shareholders it was decided to leave the number of directors at 12. Previously the board had 14 members, but two vacancies were caused by the recent deaths of Senator D. O. L'Esperance, Quebec, and Senator Lorne C. Webster, Montreal.

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On the Record

Window license stickers now being mailed to Canadian businessmen in connection with licensing of retailers.

Ceiling on managerial and executive salaries announced by Finance Minister Ilsley.

War Contracts

Following is a summary of some of the more important contracts awarded from Oct. 22 to 28, 1941, inclusive, by the Department of Munitions and Supply to Canadian companies in which there is a public investment interest:

British American Oil Co.	$231,563
Canada Packers Ltd.	128,290
Canadian Industries Ltd.	103,097
Canadian Marconi Co.	30,679
Canadian Vickers Ltd.	20,687
de Havilland Aircraft of Can. ...	927,258
Dominion Coal Co.	30,798
Dunlop Tire & Rubber Goods Co.	17,574
Eastern Steel Products Ltd.	38,900
Fleet Aircraft Ltd.	115,002
Ford Motor Co. of Canada	1,174,312
Goodyear Tire & Rubber Co. ..	259,492
Imperial Oil Ltd.	329,633
John Inglis Co.	31,955
McColl-Frontenac Oil Co.	231,563
Ottawa Car & Aircraft Ltd.	59,817
Shawinigan Water & Power Co.	79,200
Sutton-Horsley Co.	69,600
United Steel Corp. Ltd.	204,595

D. W. Ambridge of Ontario Paper Co., appointed director shipbuilding branch Department of Munitions and Supply.

Alfred O. Heather former Canadian manager General Motors Acceptance Corp. appointed chief of installment buying divisions, Wartime Prices and Trade Board.

A. Maxwell Henderson, F. F. Bruce Taylor, John A. Ross and **Harry L. Slater** loaned by Foreign Exchange Control Board to assist in organization work of maximum prices regulations.

Robert F. Chisholm, sales manager Gordon Mackay & Co. Ltd., appointed administrator of wholesale trade.

F. B. Walls, director of T. Eaton Co. Ltd., named co-ordinator of the textile and clothing administration. **Walter P. Zeller**, president of Zeller's Ltd., named deputy co-ordinator.

John Gordon Dodd, vice-president and sales manager of Paton Manufacturing Co. Ltd., and sales manager and director of Dominion Textiles, named cotton administrator.

David C. Dick, wool administrator, has been given broadened authority over wool fabrics as well as raw wool tops and yarns.

Shirley Y. Dixon, president of Courtauld's (Canada) Ltd., appointed artificial silk administrator.

Harold G. Smith, president of Mohawk Mills Ltd., named administrator of knit goods.

Louis Daoust, of Daoust Lalonde Ltd., and past president of Shoe Manufacturers Association of Canada appointed footwear administrator.

Horace Cohen, managing director of Freedman Co. Montreal, named administrator of men's clothing.

John A. Klein, managing director Klein Manufacturing Co. and Kaymar Ltd., named administrator of women's clothing.

Alexander Bradshaw, president A. Bradshaw & Sons Ltd., and secretary National Textiles Ltd. Toronto, appointed administrator of cotton clothing.

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The personal requirements of the individual in investment matters constitute an important feature of our investment service. This service is available without obligation at any of our offices.

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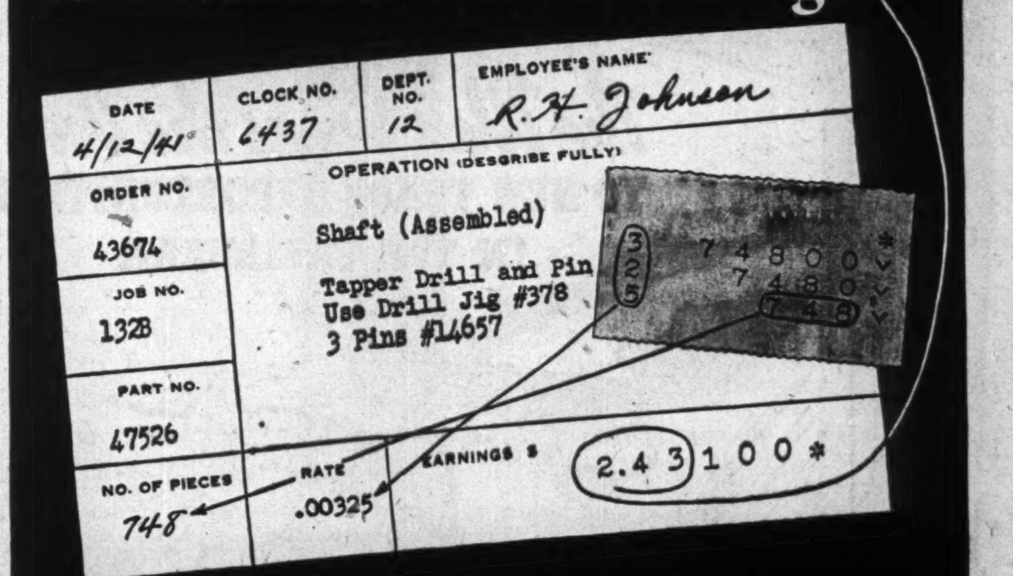

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Head Talks on Algoma Deal

E. B. Barber Answers Plaints of Railway Bondholders

Answering criticisms of the proposals for dealing with arrears of rentals and interest on the Algoma Central and Hudson Bay Railway and the Algoma Central Terminals, E. B. Barber, president and general manager, discussed the plan and objections to it with The Financial Post this week. Major points stressed by Mr. Barber were:

Selling the vessels owned by the company is impossible owing to the terms of its charter. Talk of selling these ships for $10 millions is "absurd," owing to their age and condition. Three of the five vessels are carried at a combined value of less than $500,000, the other two were built in 1901.

Fact that rail and terminal bondholders share the same protective committee has never operated to the disadvantage of rail bondholders. On this as on two previous occasions, the terminal bondholders are sacrificing immediate claims, enforceable ahead of the rail bondholders' claims, in order to preserve the working capital of the rail company.

The new plan assures for the rail bondholders a continuance of their equity in both companies, an equity which is increasing in value with the rising industrial activity in the Soo area, much of which may continue after the war. States Mr. Barber:

Liquidation Impossible

"I cannot state too strongly my opinion that but for the moratoriums granted by the terminals bondholders during the last 10 years, enabling the railway company to retain the rental due and payable to the terminals company, for capital and other expenditures on railway property during the period of the unprecedented depression, it would not have been possible to carry on the railway undertaking. If the terminals bondholders ratify the present proposals, it will be a further indication of their co-operation in meeting the need for strengthening the financial position of the railway company (and consequently the railway bondholder) to meet any situation that may arise.

"It has been suggested that the railway bondholders would be better off by a sale of the company's fleet or liquidation of its assets, or a sale of the undertaking. As to the fleet, the "ALGOSOO" and "ALGORAIL" of 5,500 tons capacity, were built in 1901. The "ALGOWAY" built about 1907, of 6,000 tons was bought last year, under war conditions and stands at a capital cost of $87,215.25. The remaining vessels, the "ALGOCEN," of 9,500 tons and the "ALGOSTEEL" of 8,500 tons were acquired in 1935 at a cost for the two of $375,000. Obviously, to talk of selling this fleet for $10 millions is ridiculous. They cannot be sold because it is a condition of the company's land grant that it shall maintain a fleet of not less than four lake vessels. Their contribution, direct and indirect, to earnings is such that the directors consider their sale would seriously cripple the railway undertaking.

Lasting Improvement

"While current earnings may be considered abnormal through wartime conditions, revenues show a marked improvement through permanent expansion in local industries, in iron ore shipments from the Helen Mine and in long-term contracts for the haulage of pulpwood. Further important traffic is expected to accrue from the movement of hematite iron ore, now being actively developed at the Josephine Mine. In addition, deposits of magnetite have been extensively drilled and further drilling is in progress. Important pyrite deposits situated on the line of the railway constitute a valuable traffic potentiality. Iron ore and pyrite means heavy tonnage and are commodities that are necessary to Canada in peacetime.

"Most iron ore from the Soo district requires sintering and occasionally magnetic separation which add to production costs. But the final product is cleaner, higher in grade and freer from water than American ores and there is substantial ground for the belief that it will meet with a permanent demand from American as well as Canadian mills because of these special qualities.

"Disappearance of Scandinavian pulpwood, together with dwindling supplies of pulpwood in the United States have caused several American paper companies to acquire by long-term leases or purchase, cutting rights in the railway's territories. These investments by U.S. companies assure important continuing freight revenues for periods of 12 years and more.

Terminals Aid Rails

"Throughout the long period of financial difficulties in the Soo and the tardy development of the mineral and pulpwood resources in its territories, the railway has fought its way through largely because of the wholehearted support of the terminals bondholders' committee. Actual developments and present prospects have fully justified this support. At no period in its history have prospects for continued activity been brighter or the physical assets of the railway property in better condition. The plan for retiring terminals bonds after adequate provision for capital expenditure, etc., is, in the directors' opinion, one that brings substantially closer the day when rail bondholders will receive a return for their long wait. How this will be attained is shown by the terms of the proposals:

"These arise from the situation confronting the railway company—By 30th June next, if a settlement of arrears is not reached, approximately $2.3 millions will be due and payable to the Terminals Company in addition to a current rental liability of $180,000 per annum, all of which is a charge in priority to the railway income bonds against the property assets, rents and revenues, present or future of the railway company.

Summary of Plan

"To meet this situation the directors in association with the bondholders' committees ask the securitiy holders to approve the present proposals, which, stripped of technicalities, are:

(1) The annual rental payable, heretofore $180,000, is set at $150,000, being 5% on terminals first mortgage bonds outstanding, plus interest on rental arrears of $67,500, making $217,500 per annum as the maximum fixed charge to be met by the railway company. This payment is equivalent to 4.7% on the total amount of terminals bonds and arrears of rental outstanding as at June 30, 1941. As terminals bonds are purchased or redeemed this charge will be reduced correspondingly. Every $100,000 of terminals bonds retired would reduce the current yearly rental payment by $7,250, and the Railway's liability on arrears by $54,500 as well as bringing the railway $100,000 closer to clear ownership of the terminals property.

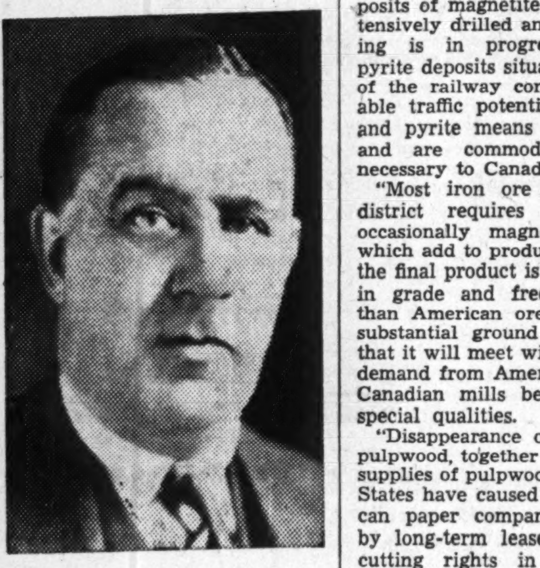
(2) Of the amount that would be due and payable to terminals bondholders as of June 30, 1942, approximately $450,000 will be cancelled and the balance will not be due and payable until the maturity of the terminals bonds in 1959 (should any be unredeemed at that date) as long as the yearly rental and interest charges thereon are duly paid.

(3) From any surplus remaining after meeting the yearly rental payments, adequate provision is to be made to take care of capital expenditures, working capital, etc. This provision is of paramount importance to the railway company and the railway bondholders.

(4) The terminals bondholders whose principal and arrears of interest amount to 154.5% of par value, are to agree to the redemption of their bonds at a maximum price of 125%, with the provision they may be purchased on the market at lower prices.

"The railway bondholders should clearly understand that the scheme of 1916 established the priority of rental charge of $150,000 per annum. This rental charge was paid in full each year by the railway company up to February, 1931. The Schemes of Arrangement of 1916 and of 1931 were unanimously approved by both sets of bondholders and ratified by Acts of the Dominion and Provincial Parliaments.

"It is apparent from the foregoing that the current plan represents substantial concessions on the part of holders of the terminal bonds. At any time since June 30, 1939, the committee for the terminal bonds could have forced the railway to pay the full terms of its agreement. Instead, they have offered a plan that permits the railway to be kept in peak operating condition and permits the railway bondholders to retain their claim on future earnings of the system,"



—Photo Blank-Stoller.

MANAGING DIRECTOR

C. H. G. Short, director and general manager of Lake of the Woods Milling Co., has been appointed managing director of the company.

HEADS RESINS FIRM

V. G. Bartram, president of Shawinigan Chemicals Ltd., has been elected president and director of the newly formed Canadian Resins and Chemicals Ltd., jointly controlled by Shawinigan and Union Carbide.

Coast Lumber Trade Holds Up

From Our Own Correspondent

VANCOUVER.—Definite figures representing the volume of lumber orders placed with British Columbia sawmills this fall by the United Kingdom are not available, but one of the best informed men in the industry whose organization handles about 60% of all the overseas trade estimates that it will amount to about 100 million board feet.

Most of this lumber comprises railroad stock, especially crossings and ties. Incidentally this business represents the first railroad stock booked here for delivery to Britain for several years. It is reported to be needed for replacement rather than for new construction.

Comparatively little of the west coast lumber now under order is of ordinary dimension stock such as comprised the bulk of the earlier orders. The theory here is that a larger proportion of the ordinary stock is now available in eastern Canada. British Columbia mills are, of course, producing all grades, but a large percentage of this material is being sold in the domestic market or to the United States. Most of the large structural timber has been absorbed by Canada's air training scheme for hangar construction, and there has been an over-all priority on much of this, as well as on other lumber suitable for defense purposes and the building of war plants.

Volume of business done with the United Kingdom this year has been slightly less than last year, although in the final analysis the differences may be less than at present indicated. The fact that the all-water route via the Panama Canal has been virtually eliminated is a major influence in the decline, as the United Kingdom appears to be as much in need of Canadian lumber as ever.

Practically all the lumber shipped from this coast to the United Kingdom goes by rail to the Atlantic seaboard for shipment under convoy. In recent months the volume has been about 30 million feet monthly. For a brief period in midsummer rail shipments were at the rate of close to 50 million feet, and Britain placed orders for delivery at the rate of 60 million feet in both August and September, but it was found impossible to accommodate that amount.

B. C. Vote Leaves Tangle In Political Knitting

From Our Own Correspondent

VANCOUVER. — British Columbia's political puzzle may be solved this week following the return from Ottawa of Premier T. D. Pattullo. The Liberal party is still numerically the strongest in the legislature even through it did lose 10 seats and considerable prestige in the Oct. 21 election.

When Premier Pattullo went east a few days after the voting to confer with federal officials on income tax collection and other measures, it seemed inevitable he would step down from his present office in favor of Hon. John Hart, his veteran finance minister, who accompanied him to Ottawa.

Although this is still a possibility, political opinion at this writing has veered to the belief that Mr. Pattullo will retain the premiership not only until the legislature is called into session early in December, but that he will endeavor to retain it until another election is called—probably some time next year.

Until Mr. Pattullo announces his decision, the leadership issue is obviously little more than a matter of guesswork.

Coalition Outlook

In view of the outspoken attitude of Harold Winch, C.C.F. leader, there is little chance of a Liberal-C.C.F. coalition, and while R. L. Maitland, Conservative leader, continues non-committal, few would be surprised if he too refused to become allied with the Liberals, especially if Pattullo plans to retain the premiership.

Mr. Maitland is reported to feel that if the Conservative party ties in with the Liberals it will lose its identity. Mr. Maitland as well as other influential Conservatives are said to believe that a Liberal-Conservative coalition would play into the hands of the C.C.F. by making it not only the dominant but the only opposition group in the legislature.

Some Coalition Necessary

However, it is clear that Pattullo will have to arrange some form of coalition or working agreement with one of the minority factions if he intends to continue in control of the government. Otherwise he could be voted out on the first division in the house, since the Liberals hold only 21 seats, the C.C.F. 14 and the Conservatives 12, with one Labor member.

"In any event there will have to be a general reshuffling of the cabinet to replace the defeated ministers. One result of the election was to deprive the Greater Vancouver area of Liberal representation, the C.C.F. making a sweep of the Vancouver North, Vancouver East and Vancouver Centre and Vancouver-Burrard ridings, while the Conservatives captured all the Point Grey seats.

The ministers who lost were Dr. George M. Weir, minister of health and education, and Gordon Wismer, attorney-general. There has been some talk of reopening one of the interior seats with a view to seating one of these two in a by-election, but this seems doubtful in view of the temper of the electorate.

Railways Raise Rate Cost-of-Living Bonus

From Our Own Correspondent

MONTREAL. — Canadian Pacific and Canadian National Railways announce an increase in the cost-of-living bonus from $1.93 to $3.20 a week, retroactive to September 1.

The bonus of $1.93 a week has been in effect since June 1 of this year and the increase of $1.27 is made pursuant to the provisions of P.C. 7440 as amended by P.C. 4643, and the existing bonus agreement made in July last, which provided for an upward adjustment if and when specified increases in the cost of living index were reached.

A recent installation of Benjamin Fluorescent Lighting Units in the Tool Department of a large plant. Details of this and other installations on request.

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THE fact that the war is forcing many countries to seek new sources of supply should act as an incentive for aggressive action on the part of Canadian exporters.

The non-British West Indies market is well worthy of consideration, as pointed out in a recent report from the Canadian Trade Commissioner at Havana, which states in part:

"Cuba, Haiti, Dominican Republic and Porto Rico offer opportunities not only to increase sales of those Canadian products which have been shipped here for decades, but to introduce new lines, previously imported from Europe and Asia, in which Canadian exporters have until recently been unable to compete.

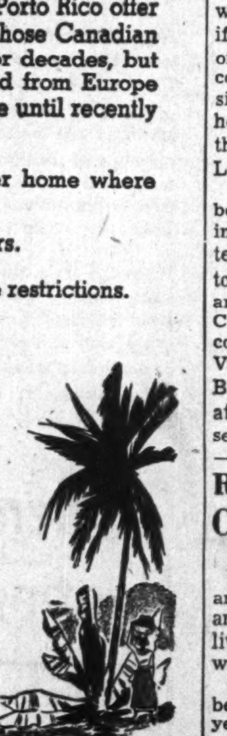
"All these countries wish to buy nearer home where delivery can be assured.

"All of them pay in United States dollars.

"None of them has any foreign exchange restrictions.

"Canadian goods have no customs tariff handicap in Haiti or the Dominican Republic, but Porto Rico is United States territory, and Cuba gives United States goods substantial preferential tariff discounts.

"All exporters interested in initiating or expanding sales in these Caribbean markets should write to the Director, Commercial Intelligence Service, Department of Trade and Commerce, Ottawa, or the Canadian Government Trade Commissioner, Apartado 1945, Havana, Cuba."



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Housing and Shape of Things to Come

Unable to Afford Traditional Type, Thousands Must Change Ideas

By E. G. FALUDI

Dr. E. G. Faludi, eminent European housing authority, and author of the following article, is now resident in Toronto, where he has been making a study of Canadian materials and processes and their adaptation to Canadian housing needs. Passionately devoted to his subject, he stresses the need of a long-term programme for Canadian housing, blueprints of which, he argues, should be drawn up now, for war and postwar requirements.

Born in Hungary, Dr. Faludi received the degree of doctor of architecture in Rome. After working as a consulting architect in Europe and England, he was driven from Nazi-dominated Europe in 1939. He is now giving a series of lectures at the University of Toronto and is lecturing in Montreal and other Canadian cities.

These articles are published for their importance as a contribution to a vital subject, but the opinions expressed are not necessarily those of The Financial Post.

Canada is a country of realism—realism in terms of a functional and logical way of living.

The average Canadian has higher ambitions than merely to satisfy his daily needs. He concentrates much energy on moving from a lower income class to a higher one, to get a new type of car, a larger home, to live in a better neighborhood.

The average Canadian needs a house with three bedrooms, living room, bathroom and kitchen. From Nova Scotia to British Columbia there exists a difficulty to satisfy this need.

The problem exists in nearly every category of the low income class or wage earners. At present it is not exclusively a Canadian problem—it is a common problem for every country in the world; as recently, President Roosevelt said in an address to the delegates of the International Labor Office:

"There are so many millions of people in this world who have never been adequately fed, clothed and housed . . . By undertaking to provide a decent standard of living for these millions, the free peoples of the world can furnish employment to every man and woman who seeks a job."

Lack of Planning

Canada's present condition in housing can be explained but not excused by its youth. We know that the causes of Canadian difficulties include rapid growth of urban population in the past 30 years, inflated real estate values, speculation in land, influx of poor immigrants, and lack of planning.

The consequence is that there are too many disease-ridden, firetrap dwellings around the industrial districts and in the centres of the cities; there are too many tarpaper shacks patched with odds and ends in the farmlands instead of healthy comfortable homes.

The provision of proper homes for all classes in Canada has three aspects:

1. Dwellings for those families who have adequate income to finance either the renting, purchase or construction of a house. This category belongs to the $3,000 a year or more income class, and the supply of dwellings for it can be left to private initiative. It will probably be a profitable enterprise because it has to satisfy desires for higher quality for a class of good purchasing power. This income class forms 28% of the whole population.

2. Dwellings for the wage-earner with reasonable security of income, who can pay a modest rent but can only make a very small down payment in case of buying a house and who requires a long period in which to pay the total price. The major difficulty in this case has been the cost of financing purchase of a house. Under ordinary conditions, a first mortgage is limited to 60% of the value of the property. At present, the increase of cost of building and cost of living will make it almost impossible for this income group to build or buy a house and these are the majority of the population of Canada. If no adequate homes are provided for them, there will be a continuously growing shortage of dwellings and a great congestion in existing buildings, which is the first stage toward slum conditions. Some 62% of the population of Canada now has to face more or less this problem.

The 10% Group

3. Finally, dwellings for the lowest income group who have not the ability to earn sufficient to pay an economic or self-supporting rent for the size of dwelling required to house their families under minimum conditions of health and decency. The construction of such dwellings obviously is unlikely ever to be undertaken by private initiative. At least 10% of the population of the country is in this condition today.

The question is no more how to provide temporary remedies but to achieve permanent cures.

Housing is a necessity and poor housing means costly social conditions. The provision of adequate housing for those who cannot buy it in the open market has generally come to be regarded as one of the regular social services of the state.

This is the policy that England and European countries have followed for some time and that the United States seems to have adopted in its latest housing legislation. There is no reason to believe that the Canadian government can escape from a similar policy.

In following the experiences of other countries, we should agree in the following principles:

1. To avoid chaotic development, national, regional and town planning must be provided in every part of the country.

2. The central government should contribute by leadership and financial aid.

3. Municipal governments should co-operate by regulations of building and town planning, by granting tax exemptions and by buying land for housing projects.

The means to effect these ends include scientific, economic and statistical research, and educational work reaching technical, business and financial groups as well as the general public. The interest of the general public in this quetion will dictate the solutions and methods to achieve them.

Sees Drastic Changes

The national life of Canada depends mainly on the economic functions of the family life which, at present, is undergoing changes evoked by the war. These changes are the diminishing size and increasing instability of the family.

An important way to strengthen the family is good housing. Ten million Canadians are affected by this question because the circle of their daily life starts and finishes in their homes.

We know very well that the bad housing in the old residential sections near the business districts—and also in rural areas—persists partly because of the durability of the construction materials used in the old houses. If the life of a house were short, or if the cost of modernization were small, it would be easy to adopt new standards and conveniences of modern housing.

But, unfortunately, our houses were built so that they became obsolete in their functions earlier than in their structures. Their modernization is comparatively more expensive than to build houses with progressive designs, materials and equipment.

Good housing is not an end in itself but only a means toward a well-rounded life, which is our real objective.

The Home Ideal

The average Canadian has formed an ideal about his house and, because he rents or buys it, elects officials and pays the taxes, he will be the one to decide in matters of housing. The popular ideal is a house built of individual design, standing detached on a good sized lot.

This tailor-made dream house is a far cry from what he really gets—but it is not even in his own interests that he should get it. He doesn't know that something better exists, that science and technique have progressed with greater speed than his knowledge and education.

We know today that the individual family house is not the only solution and is not suitable for every income group. In the various parts of Canada—or even in the same city—we must provide other types of houses also.

The semi-detached house, the tenement type and also apartments in multi-story buildings are sometimes better and more economical for those who have no families. The ideal and perfect solution is to create new community developments where a cross-section of the whole population will be able to enjoy the facilities of a happy and decent neighborhood.

Minimum standards of air, light, sanitation, privacy and convenience must be available to everybody—under low maintenance cost.

If we build multiple row housing in two or even one-story structures, it is perhaps more economical than the skyscraper type of apartment house but is also more economical than a free standing house on a narrow lot. It saves useless open space for parks, playgrounds or gardens.

Related to New Needs

Modern housing shows us that the best apartments are those in shallow buildings, two rooms deep, with two apartments on each floor, all having cross ventilation. This is contrary to the well-known Canadian system of 10 to 12 apartments on one long dark corridor.

Private gardens, common to a row of houses or apartments, are sometimes more useful and economical than narrow open places in the shadows of individual houses packed together.

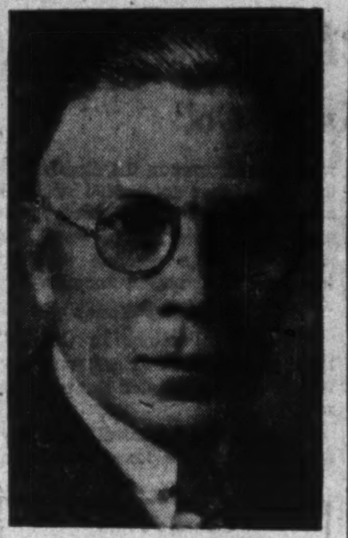
The house of today is related to a new living system, to new needs and to new thinking.

The exterior appearance of the house should express the needs it has to serve.

Far too many cannot understand a house which looks simple, clean and efficient. They do not find it imposing enough because they are educated only for decorative structures in the pompous style of the past.

The spirit of this education is based on an uneconomical conception of building and is largely reflected in the costly houses we build today—the houses that the low income class cannot afford. These are real symbols of a world which belongs to the past.

What we should build today should be instigated and inspired by the same spirit that creates the efficiency of the car—available to millions of the population of Canada.



NEW PRESIDENT

M. John Sheehy, vice-president of John Ritchie & Co. Ltd., Quebec, and director of Agnew Surpass Shoe Co. Ltd., has been elected president of the Shoe Manufacturers Association of Canada.

Celanese Corp. Reduces Price

American Producer Meets OPA Objection; No Comment by Canadian Unit

From Our Own Correspondent

MONTREAL. — No comment is available from Canadian Celanese Ltd. on its price policy, following action by Celanese Corp. of America, the associate company in the States, which reduced the price of its acetate yarns from 1 to 3 cents a pound effective from Nov. 1.

The policies of both companies are closely related. However, Canadian Celanese yarns are not available to the trade, as the entire output of the Drummondville plant is used by the company for further processing. On the other hand, the price established for the yarns has a bearing on the price of the finished fabric.

The release of the new price list by Celanese Corp. of America was not accompanied by any statement. The move by the company was regarded as a gesture of yielding to the Office of Price Administration, which objected so strenuously to the October 6 advance that it announced it would set up ceiling prices for all rayon yarns.

"Your duty as a good Canadian is to spend less and save more."

Hon. J. L. Ilsley
—Minister of Finance

THRIFT is today on the march all through Canadian life. In industry, in the office, on the farm, even in the schools, THRIFT is saving for vital war requirements.

THRIFT avoids unnecessary spending and reduces the demand for ordinary civilian goods. This helps to curb the rising cost of living and at the same time makes men and equipment available for increased production of urgently needed war supplies.

An account at this Bank will be most useful in YOUR THRIFT PROGRAM. All banking services are available and your use of them will be welcomed.

For Canada and yourself— | BE THRIFTY | Buy War Savings Certificates

The BANK of NOVA SCOTIA

J. A McLEOD, *President* — H. F. BURNS, *General Manager*

EST'D. 1832—OVER A CENTURY OF BANKING EXPERIENCE

Auto Sales Levelling Off

Sharp Trend Upward Was Moderated in September — Up on Year

Moderation of the sharp uptrend recently exhibited in Canadian automobile sales was evidenced in September. Registrations of new passenger cars in eastern Canada, as reported by Canadian Automotive Trade, were still 54% ahead of September, 1940, but this increase contrasted with one of better than 100% in August. Covering Ontario, Quebec and the Maritimes, the figure for September was 3,602 compared with 2,331. This brought the nine-month total for new passenger car registrations in the east to 56,531 as compared with 59,515 for the same period a year ago.

The record of improved buying in the east materially aided in holding up the total for all Canada on the month. Sales of new passenger cars in Canada for September totalled 3,785 against 3,572 in September, 1940, an increase of 6% with value of sales $5,034,835 up 15% from the September, 1940, total of $4,372,197.

The Dominion Bureau of Statistics attributes the sharp gains recorded in sales during July and August to the forward buying a year ago in anticipation of higher prices.

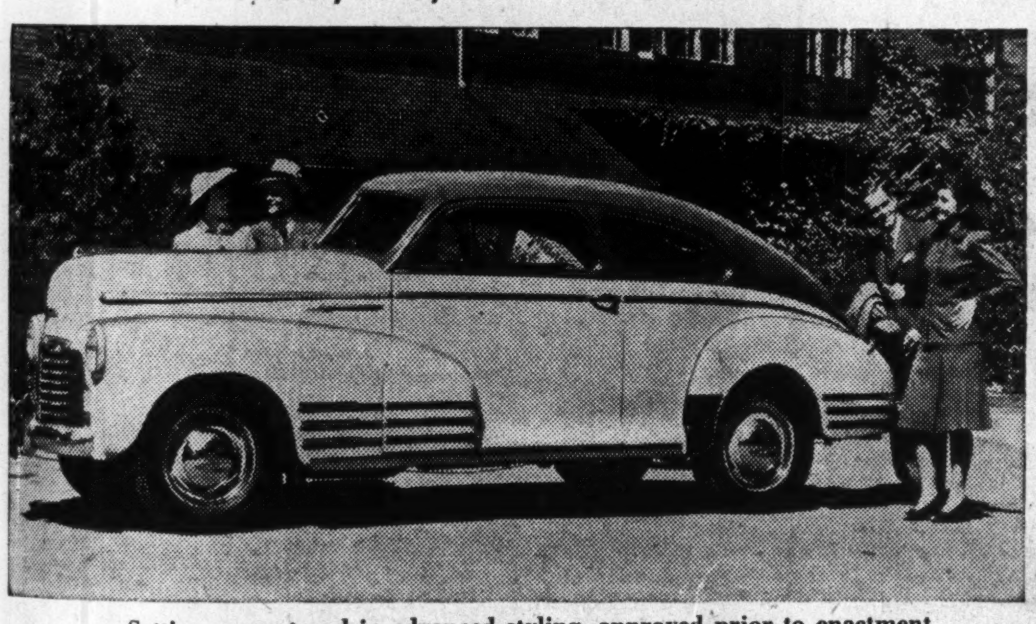
The more limited gains registered in September indicate a leveling of this condition, but continue to reflect the improved level of general purchasing power.

Comparative totals of registrations during August and in the first nine months of the year are as follows:

New Passenger Car Registrations In Eastern Canada

	September		Year to Date	
	1941	1940	1941	1940
Chevrolet	936	311	12,452	11,883
Dodge	582	244	9,291	9,043
Plymouth	567	536	8,378	8,164
Ford	475	335	9,020	9,053
Pontiac	339	146	5,177	4,13b
McL.-Buick ..	189	187	2,727	3,238
Mercury	121	99	2,427	2,210
Oldsmobile ...	118	112	2,174	2,641
Chrysler	93	23	1,813	2,291
DeSoto	46	9	772	1,047
Nash	40	6	611	347
Studebaker ..	36	111	439	1,635
Hudson	23	154	602	2,308
Packard	23	29	285	773
Willys	8	21	141	533
Cadillac	5	3	214	173
Graham	1	5	8	45
	3,602	2,331	56,531	59,515

Chevrolet, 1942, Presented in Two Series



Setting a new trend in advanced styling, approved prior to enactment of the wartime passenger car restrictions, Chevrolet for 1942 is presented in two series, General Motors of Canada announces. These are the Master De Luxe and Fleetline. Master De Luxe offers a choice of these models: Sport Sedan, Town Sedan, Five-Passenger Coupe and Business Coupe. The Fleetline series comprises the Aerosedan and Sportmaster Sedan. An eye-catching feature of the new Fleetline Aerosedan, shown above is the striking ultra-modern rear end design, the smooth flowing contours of the all steel turret top and sides blending into a smart sweeping streamline.

Guard Your Investments

To ensure continued security for your family, your executor must be a competent investor, and he must have time to spare from his own affairs to look after your estate. National Trust Company has a well-organized and efficient investment department to assist the management in supervising and safeguarding the investments of your estate.

This is only one of the special services provided by National Trust Company—a permanent, full-time executor. Inquiries invited. Consult us without charge or obligation.

Write for free booklet . .
"Security for your Family"

NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

Dominion Coal Output Recovers

From Our Own Correspondent

MONTREAL.—Coal production at the Cape Breton collieries of Dominion Coal Co. improved in October, reflecting the end of labor troubles

Output last month was 434,113 tons, or 5.1% less than in October, 1940. In September, the low month of production, output was 30.2% under the 1940 figures.

For the first 10 months of 1941 Dominion Coal Co. has hoisted 3,655,740. This contrasts with 4,178,170 tons in the same period last year, a decline of 12.6%.

Remington Rand Ups Payment as Net Climbs

Reflecting sharply improved earnings, Remington Rand Inc. has increased its latest quarterly dividend to 25 cents per common share as compared with previous quarterly of 20 cents. The latest dividend is payable Jan. 2, 1942, to shareholders of record Dec. 10.

In the three months ended Sept. 30, 1941, Remington Rand had a net income of $1,918,590 after charges and tax provision, equal after preferred dividend requirements to 98 cents a common share as compared with 18 cents a share in the September quarter of 1940. For the six months ended Sept. 30, 1941, the company had net income of $3,302,283 or $1.65 a common share, as against $1,065,209, or 40 cents a share in the same period of last year.

Member Borrowings Rise at Toronto

As at the end of October, 1941, borrowings of members of the Toronto Stock Exchange totalled $9,154,481, an increase of $285,195 from the end of September, 1941, and $319,499 higher than in August. Quoted market value of all listed stocks as at October 31 amounted to $3,676,416,469, down $166,727,614 from the end of September. The ratio of borrowings to quoted market values amounted to 0.25% compared with 0.23% as at Sept. 30 and 0.24% a year ago.

Toronto Brokers' Loans Up From September

Borrowings on collateral of members of the Toronto Stock Exchange at the end of October this year totalled $9.2 millions, a gain of $285,195 from September, and $319,499 from August, 1941.

Quoted market value of all listed stocks on the Toronto Exchange at October 31 this year was $3,676.4 millions, a decline of $166.7 millions during the month. This left ratio of borrowings to quoted market values at .25 of 1%, compared with .23 of 1% at September 30, and 24 of 1% a year ago.

ALUMINUM

ITS PEACETIME DEVELOPMENT!

Aluminum fifty years ago — new and untried but offering strength, lightness and workability — set out to find a market. Research, experiment and unceasing sales effort over the years expanded its range of uses until scarce an industry or a home was left untouched. New alloys, new combinations and proportions were constantly being found to enlarge its scope of special applications.

Aluminum became a key material for automobiles, railway coaches, combustion engines, radio transmitting and receiving sets and aircraft. Its high electrical conductivity brought world-wide use for power transmission lines. This metal entered the home in the form of cooking utensils and as part of many household appliances. Aluminum paint and aluminum foil found wide acceptance. It became indispensable to the chemical industry.

A tremendous market was thus developed and its growth accelerated as established uses expanded and new applications were discovered. Aluminum Company of Canada, Limited keeping pace, extended its operations and built up mining facilities for British Guiana bauxite, Greenland cryolite, Newfoundland fluorspar and other essential elements.

War came with a clarion call for aluminum. Hard won peacetime markets were abandoned practically over night as the industry geared itself to all out war production. For the very qualities that gave aluminum its impressive civilian stature made it the paramount war metal.

More than this, great as peacetime needs had been, war demands were even greater. New plants, new smelters, new facilities were built and put into production. This expansion still goes on and will continue until victory is won.

The next advertisement will deal with aluminum in wartime.

The information in these advertisements is given to the people of Canada so that they may know of the wartime activities of the aluminum industry and why its production is vital to victory. When the war is over, Aluminum Company of Canada, Limited promises its old customers in the homes and industries of Canada, that it will again devote its efforts to making aluminum for peacetime uses.

ALUMINUM COMPANY OF CANADA, LIMITED

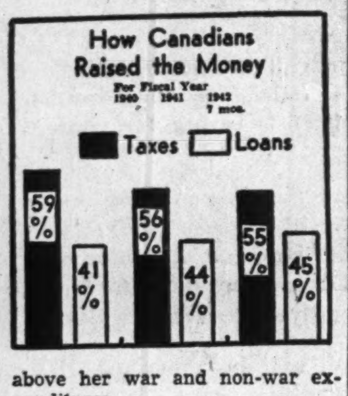
Preview of the Next Budget

Canada Now Running 55% "As We Go"

Last week in the House of Commons, Hon. J. L. Ilsley offered Canadians a preview of some of the things they will learn in next year's budget.

In the accompanying tables and chart, The Financial Post presents these facts in balance sheet form. They show:

1. That the first half of the present government year Canada's ordinary revenues are some 30%



above her war and non-war expenditures.

2. That aid to Britain in the half year has been $438 millions above Britain's payment of securities to the Dominion.

3. That in relation to total expenditures, inclusive of aid to Britain, we are paying 55% "as we go," against 59% two years ago, if the factor of repatriated securities is left out of account.

81½% Pay-as-we-go

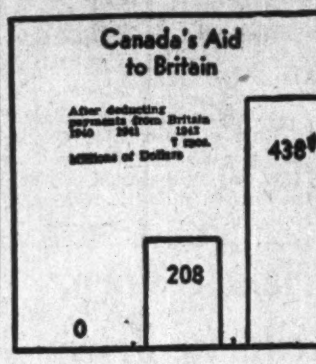
Since war began, Canada has borrowed from the public and the banking system a total of $1,865 millions. Partly offsetting this is the return of $512 millions of securities repatriated from Britain, another $655 millions of sterling balances now held which could be used for similar repatriation. Taking these factors into account, the net increase in Canada's indebtedness is reduced to $698 millions against total expenditures in the past two-and-one-half fiscal years of $3,747 millions. The total of $3,747 millions covers war and non-war, Canadian and British, expenditures, less the $250 millions in gold that Britain paid to Canada last year. Looked at this way, Canada's government financing has been 81½% pay-as-you-go. Net borrowings have equalled only 18½% of total outlays.

In the last budget, Mr. Ilsley predicted war expenditure on Canada's own account of $1,300 to $1,450 millions. The lower figure, he states, will almost certainly be exceeded, by how much it is still too early to state. But Canada's own war expenditures in the first half of the fiscal year total $496 millions, not much more than a third of the maximum figure for the year. But it is still quite possible that the full year will show a surplus.

Two Years' Taxes

The tax collections in the 1942 fiscal year which will end with next March will be inflated for two reasons.

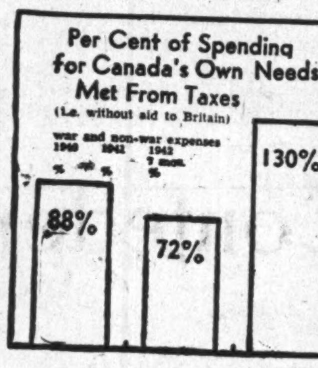
First will be the installment payments on income taxes which be-



gan to roll in on Sept. 30 of this year.

Second will be the pushing forward of the due date of the income tax payment (where paid in a lump) from April 30 to March 31. In other words, the 1942 fiscal year will have a large share of two years' income taxes—those which fell due April 30, 1941, and those which will be payable on or before March 31, 1942.

Judging from the budget speech of April this year, the next five months will see a sharp increase in expenditures and the demand for government funds. Still unpaid are close to $1,000 millions of Canada's own estimated war expenditures, possibly $234 millions of non-war expenditures and a further $200 to $300 millions of aid to Britain—total, $1,434 to $1,534 millions. From this Canada can deduct the current,



half-year surplus, total income from taxes and loans of $1,735, total expenditures of $1,343 millions, a working surplus of close to $400 millions.

That leaves something like $1,000 millions still to be found and spent by March 31. The budget estimate of $1,400 millions of ordinary revenue for the full year would indicate that with $950 millions already collected, only $450 millions more can be expected. Actually, this figure may be widely exceeded when the payments due March 31, 1942, are received A large part of the $950 millions now in hand will be moneys received for last year's taxes. There is little in the figures to indicate that the Dominion will have to borrow heavily until after the close of the fiscal year.

Where the Money Comes From

Fiscal Year Ending Mar. 31
Millions of Dollars

	1940	1941	1942 7 mos.
From Canada—	$	$	$
By Taxes	468	778	895
Non-tax Revenues	94	94	est. 55
	572	872	950
By Borrowing—			
Banks	200	250	...
Public Borrowing ...	200	300	730
Treasury Bills	...	75	15
War Savings	...	49	39
Non-interest loans .	...	6	1
	400	680	785
TOTAL	972	1,552	1,735
From Britain—			
Gold	...	250	...
Securities	...	337	175
	...	587	175

Where the Money Goes

	1940	1941	1942 6 mos.
Canada's War Expenses	118	752	496
Canada's Non-War .	525	464	est. 234
Total Canada .	643	1,216	730 7 mos.
Aid to Britain	....	795	613
	643	2,011	1,343

B. C. Finances On Upgrade

Report Shows No Defaults Last Year and Better Picture Generally

From Our Own Correspondent

VANCOUVER. — No municipalities defaulted last year in British Columbia, and there has been a gradual improvement in the financial position in the province, according to the recent annual report of E. H. Bridgman, deputy minister of municipal affairs.

Three centres, Burnaby, Rossland and Coquitlam, refunded their debts on long-term schemes during the year.

Mr. Bridgman comments on the increasing use of serial bonds to ensure gradual retirement of debt, and on the municipalities' manifest reluctance to embark on new capital expenditures in wartime.

B. C. municipalities as a whole have assets totalling $161.3 millions, total debenture debts of $117.2 millions and sinking funds of $30.5 millions.

In connection with relief and other projects they owe $708,324 in demand notes held by the province, $32,600 on notes to the Dominion, and $4.7 million in bank loans and other advances.

The same communities, however, were owed $5.3 millions in unpaid taxes and held $15.5 millions worth of tax sale properties at upset prices.

Debenture debt was decreased last year by $1.6 millions. Improvements increased by $7.8 millions.

Victoria has capital assets of $15.5 millions and total assets of $19.0 millions, against total liabilities of $12.5 millions.

Vancouver has capital assets of $52.2 millions with sinking funds of $18.2 millions, tax sale properties valued at $5.4 millions; total liability, $79.0 millions.

Electrolux Corp. Earnings Jump

Big Third Quarter Boosts Share Profits to Date to $1.09

From Our Own Correspondent

MONTREAL. — Electrolux Corp. reports net profit for the nine months ended Sept. 30, 1941, at $1,347,260, after all taxes. This was equal to $1.09 a share. For like period of 1940, net profit was $1,094,675, or 88 cents a share.

Before income and excess profits taxes, profit for the period was $2,204,218 vs. $1,621,575 in the first nine months of 1940.

For the third quarter of this year, company's net profit after taxes was $453,838, or 37 cents a share, against $197,115, or 16 cents a share for the like three months of 1940.

Maritime Tel. Setting Record

Stations Installed and Toll Traffic at an All-time High

From Our Own Correspondent

MONTREAL. — Operations of Maritime Telegraph and Telephone Co. continue at a record pace.

During September there was a net gain of 432 stations in operation, bringing cumulative gain for the first nine months of the year to 3,646, and number of stations in operation to 50,264. In September last year there was a net gain of 328 stations, making the cumulative increase for the first nine months 1,984.

Heavy Toll Traffic

Allied with the increase in stations is a very heavy gain in long distance toll traffic. Volume of toll calls in August was 190,691, an increase of 32,678 over corresponding month last year. This was the largest volume of traffic for any one month in the company's history.

Effective Oct. 1, the company announced retirement of J. H. Winfield as managing director. Mr. Winfield, however, continues to act as president. He is succeeded as managing director by W. A. Winfield.

Public Utility Earnings

Mexican Light & Power

August	1941 $	1940 $	Incr. %
Oper. earnings .	905,659	741,667	22.11
Oper. exps.	564,405	583,454	*3.26
Net earnings ...	341,254	158,213	115.69
8 Mos. to Aug. 31			
Oper. earnings .	6,201,492	5,231,411	18.54
Oper. exps.	4,788,720	4,045,526	18.37
Net earnings ..	1,412,772	1,185,885	19.13

*Decrease.

Brazilian Traction

September	1941 $	1940 $	Incr. %
Oper. earns. ..	3,671,106	3,194,051	14.93
Oper. exps.	1,687,421	1,528,401	10.40
Net earnings ..	1,983,685	1,665,650	19.09
9 Mos. to Sept. 30			
Oper. earns. ...	31,522,981	27,678,871	13.89
Oper. exps.	14,578,418	13,719,084	6.26
Net earnings ..	16,944,563	13,959,787	21.38

TCA

SPEEDS THE NATION'S BUSINESS

HALIFAX - MONCTON - MONTREAL - OTTAWA - TORONTO
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EDMONTON - VANCOUVER
2 Flights Each Way — Every Day

TORONTO - NEW YORK - - - 2 Hrs. (Non-Stop)
3 Flights Each Way — Every Day*
*2 Flights Saturday from Toronto, Sunday from New York

TORONTO - OTTAWA - MONTREAL - - 2 Hrs. 30 Mins.
5 Flights Each Way — Every Day

TORONTO - LONDON - WINDSOR - - - 1 Hr. 35 Mins.
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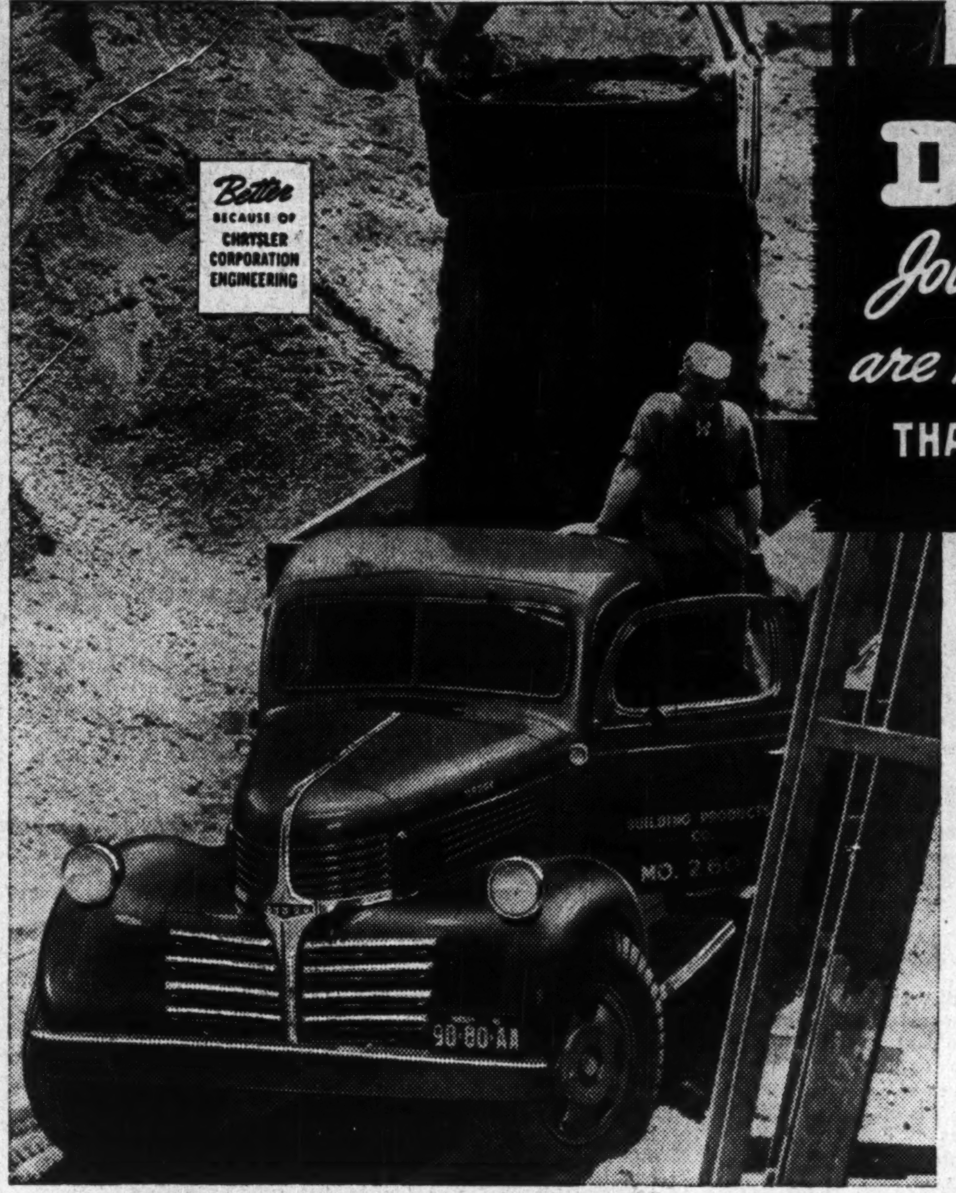


DODGE Job-Rated TRUCKS are more powerful THAN EVER BEFORE!

The New Dodge Job-Rated Trucks have more powerful engines to haul all types of loads quickly, efficiently, dependably, safely and at low cost.

Transmissions, clutches and rear axles meet these new power ratings; brakes, springs and frames have ample margins to handle their loads.

When you buy a Dodge Job-Rated truck you get a vehicle that *fits your job* in all these respects. That means that you get extra performance, extra dependability, extra long life and economy of operation.

Tell your Dodge dealer what your trucking or hauling problem is and let him suggest the right Dodge Job-Rated Truck that fits your job. See him today!

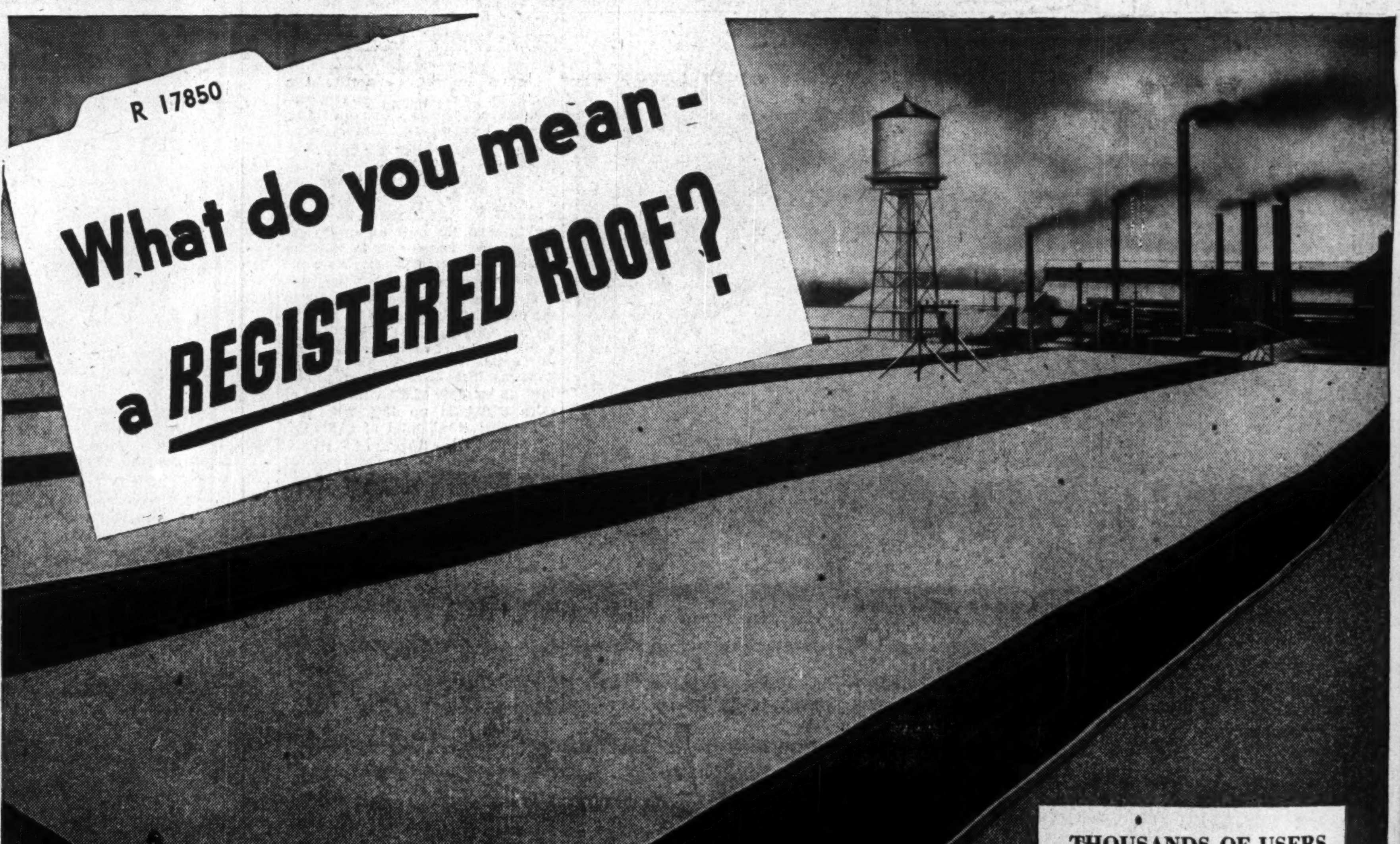
FEATURES OF THE NEW DODGE *Job-Rated* TRUCKS
By-pass Thermostat • Oil-bath Aircleaner • Exhaust Valve Seat Inserts • Full-pressure Lubrication • Roller-bearing Universal Joints • Rugged, Rigidly Braced Frame • Hotchkiss Drive • Hypoid Rear Axle • Precision-type Removable Bearings • Full-length Water Jackets • Oil Filter • Tapered Roller Axle Bearings.

MODELS OF THE NEW DODGE *Job-Rated* TRUCKS
½-ton, 116" W.B. • ¾-1 ton, 120" and 133" W.B. • 1½-ton, 135" and 160" W.B. • 2-ton, 135", 160" and 190" W.B. • 2½-ton, 136", 160" and 178" W.B. • 2½-ton Dual-purpose, 136", 160" and 178" W.B. • 3-ton and 3-ton Special, 136", 160", 178" and 220" W.B. • 1½-ton, 2-ton, and 3-ton Cab-over-engines, 105", 129" and 159" W.B.

DODGE *Job-Rated* TRUCKS COVER 98% OF ALL HAULING NEEDS!

R 17850

What do you mean - a REGISTERED ROOF?



THOUSANDS OF USERS IN CANADA

The list of users of Murray Roofs reads like a Who's Who of Canadian industries and institutions. Here is a monitor type roof on the St. Catharines, Ontario plant of the McKinnon Industries Limited, covered with a Murray Registered Roof of Built-Up Pitch and Gravel. Further names of users throughout Canada will gladly be furnished upon request.

WE mean a Murray Built-Up Pitch and gravel Roof, the entire pedigree of which is registered in the Murray files. Every Murray Roof is made of the finest materials obtainable — processed by skilled workmen—backed by Murray's wide and diversified experience. And the registration of that roof in the Murray files is a constant source of complete data obtained through regular roof inspections by qualified inspectors.

When your architect specifies a Murray Roof, you know that it will outlive its period of guarantee—providing year-round *complete* protection. A Murray Roof, at no extra expense, gives you planned, inspected and *registered* security.

Alexander MURRAY *& Company Limited* — Montreal — Toronto — Halifax — Saint John — Winnipeg — Vancouver . . . . Affiliated with Dominion Tar & Chemical Co. Limited (Canada's Largest Manufacturer of Pitch and Creosote) — and Canada Creosoting Company Limited.

41-1

B.U.R.-20-3578
MURRAY *Registered* ROOFS
OF BUILT-UP PITCH & GRAVEL

Montreal Apts. Asks Changes

From Our Own Correspondent

MONTREAL.—The 4% first mortgage bond holders of Montreal Apartments Ltd. will be asked at a special meeting Nov. 28 to approve reduction in sinking fund payments.

Schedule proposed for sinking fund payments compares with existing provision as follows:

	Proposed	Present
1941	$ 35,000	$ 75,000
1942-46	60,000	100,000
1947-54	100,000	100,000

Interest Rate Unchanged

Neither interest rate nor maturity of the issue would be changed. Sinking fund payments will be made in cash or in bonds at a price not exceeding market value when delivered to the trustee.

Present sinking fund provisions were approved by bondholders in 1939. Reduction is being asked by owner of the properties, Hon. P. R. Du Tremblay, K.C., because of a decline in net income in the past two years.

Net Income Down

In a letter to bondholders Royal Securities Corp. estimates revenue in 1941 at $421,091, compared with $427,396 in the preceding year. After all expenses, bank interest, and interest on the first mortgage bonds, a balance of $24,806 was left in 1941 for sinking fund. This compares with $40,542 in 1940 and $62,065 in 1939.

Rising operating costs have been responsible in part for lower net income. Rental revenue has also dropped despite the fact occupancy of all three of the company's properties has been at a high level. At present there are only two apartments vacant out of a total of 323.

Approved by Large Holders

In each of the years 1939 to 1941 cash available for sinking fund requirements was well below requirements of $75,000.

Obligation of Holder

The 4% first mortgage bonds, due 1954, are secured by a first mortgage on the Chateau, Drummond and Drummond Court Apartments, all in Montreal. They are also the personal obligations of Hon. P. R. Du Tremblay, K.C.

At Dec. 31, 1940, there were $3.3 millions of the bonds outstanding out of an original issue of $4 millions. Maturing Jan. 1, 1954, the issue is senior to $389,000 of 4% general mortgage bonds, meturing June 1, 1954.

The Mathematics of the "Conscription" Issue

"Conscription" for military service involves not simply getting more people into one of the armed services. In mechanized warfare especially it involves shifting persons from one occupation to another throughout the nation. Here are approximate figures on the three main groups of Canadians which are involved.

Canada Has Reserves of		Hurdle No. 1	Canada Has Working Assets		Hurdle No. 2	Armed Forces
Students ...	200,000		Employed ...	3,430,000		338,000
Wives free to work	490,000		Employers ...	282,000		
Women who never worked	450,000		"Own Account" Workers ..	837,000		
			"Essential", Homemakers	1,785,000		

Two Hurdles for War Workers

War Industry This Time Has Less Pulling Power

In Parliament Hon. J. L. Ralston has implied that voluntary recruiting is not bringing satisfactory results.

Voices calling for conscription are becoming more numerous.

What would this conscription of Canadian men and women power mean?

For practical planning purposes, Canada has now reached "full employment." Getting more workers into the war effort—whether military or industrial—from now on means, by and large, inducing more women to take jobs and transferring workers from "non-essential" industries.

It is impossible to measure the volume of patriotic fervor—the will to sacrifice for the national emergency—that can be expected to provide the extra workers needed whether by enlistment or conscription.

But from the purely economic point of view which, it is well recognized, is only part of the picture, there are two hurdles ahead.

Shift of manpower from civilian to military activity has in the past had to leap the hurdle of low military pay. In 1917, conscription for military service overseas was resorted to both in Canada and the United States, and coincided roughly with full employment and the maturing of the industrial war effort.

But in the last war, high wages helped pull new workers out of idleness, out of homes, from occupations unprofitable in wartime, into the war industries to replace the manpower conscripted out of industry.

A few weeks ago the pull of high wages would have helped in this war. But the new wage ceiling order, by stopping further wage increases, prevents war industry from attracting workers by the traditional method of bidding higher for them. A new hurdle has been thrust into the flow chart of man power.

Two-way Conscription

How to get the needed manpower over this hurdle will be one of the major problems of Canada's government in the next year or so. Already scraping of bottom of the barrel for workers normally in the market, the industrial machine is increasingly faced with the need to attract workers who are not as a rule seeking employment, and would only normally be attracted to industry by unusually high wages or unexpected economic necessity.

There is little evidence that wages have yet risen sufficiently high to attract this class of worker.

The balance sheet presented herewith shows the total available for Canada's war effort, in the various categories of occupation. Main question: How to induce people out of one compartment into the next.

Position of B. C. Electric Analyzed for Commission

From Our Own Correspondent

VANCOUVER.—Preliminary to a formal hearing before the Public Utilities Commission, at which a basis for "fair and reasonable" rates will be determined here, an exhaustive report on the B. C. Electric Railway Co. operating subsidiary of B. C. Power Corp. has been completed by S. R. Weston, commission's chief engineer.

The report makes no recommendations, and confines itself to presentation of a mass of facts relating to B. C. Electric's holdings, operations and finances.

Total holdings of the company and associated enterprises are set down at $112.7 millions, as at June 30, 1939. This figure is based on the total original cost to the company of all its holdings, without depreciation.

Not A Monopoly

Average operating profit, before provision for income tax, interest and dividends, but including depreciation, for the five-year period ended June 30, 1939, was $5.1 millions. Gross operating profit for the year 1938-39 was $5,337,629.

Mr. Weston's findings have not yet been formally received or approved by the commission which will not undertake its hearings until some time in December.

One feature of the report states that the B. C. Electric has not exerted monopolistic privileges and points out that at various times other companies have secured competitive power rights.

The analysis shows that two of the companies' major operations showed a consistent loss during the 1935-39 period. The biggest loss was sustained by the interurban transportation system in the lower mainland, including the lines between Vancouver, New Westminster, Chilliwack and Steveston.

Average operating loss on these operations was $138,743. Loss for the year ended June 30, 1939, was $217,097. The New Westminster civic tramway system was included in these figures until the buses were substituted three years ago, when the New Westminster operations were classified as urban transportation.

The Victoria and district tramway system has also repeatedly shown a loss in operation, the average operating deficit being $25,185 during 1935-39. Loss on this system in the year ended June 30, 1939, was $33,279.

Average operating profit on the Vancouver-North Vancouver street car system was $360,159 in 1935-39.

Largest operating profit was shown in the company's lower mainland electric utilities, including Greater Vancouver. These reported an average operating profit of $3.6 millions, with the profit in the year ended June 30, 1939, being $3.6 millions.

Parent Not Discussed

The Weston report makes no direct reference to the affairs of the holding company, B. C. Power Corp., which owns no physical properties other than stocks and bonds. The latter is not included in the scope of the survey.

The appraisal of the B. C. Electric properties is on the basis of undepreciated original cost, irrespective of any dealings in regard to the share capital of the company.

Mr. Weston recommends that the public should benefit through lower rates from the interest earnings of the depreciation reserve.

"While the reserve belongs to the utility, the utility has no right to the interest earnings thereon,' states Mr. Weston, "because the reserve represents a recovery of part of the cost of plant which is still employed in giving service and upon which the customers are still paying full returns.

He proposes that the method of regulating rates be based on these factors:

1. A rate consisting of the undepreciated original cost of property used or prudently acquired to furnish the service, plus an allowance for working capital requirements.
2. Revenue to compensate for the cost of service.
3. Cost of services to include operating expenses, including maintenance, taxes and depreciation, and a fair and reasonable return on the rate base.
4. Obligation on the part of the utility to pay interest on the accumulated depreciation reserve.

Tourist Revenue Up in Ontario

Report Shows Big Increase on Sale of Angling Licenses

Influx of United States anglers into Ontario is providing a big fillip to the revenues of the province's department of games and fisheries. For the year ended March 31, 1940, sale of non-resident angling licenses was $391,504, an increase of more than $52,000 over the 1938-39 figure.

The report points out the necessity for stressing to Americans that Canadian laws have not changed so far as tourists are concerned. The tourist traffic has become one of the largest industries of the province and its ramifications are such that, directly or indirectly, both urban and rural districts share in the revenue.

B. C. Pulp Mills Boost Output

From Our Own Correspondent

VANCOUVER. — Expansion of B. C. pulp and paper mills, chiefly with a view to increasing production of sulphite pulp and kraft, currently represents an investment of more than $3.5 millions.

Powell River Co., major newsprint producer which recently embarked on an unbleached sulphite production programme, was previously authorized by the Canadian government to carry out capital expenditures of $950,000.

Costs of materials and equipment have advanced beyond this figure, and the government has empowered the company to boost its outlay to $1.3 million.

Pacific Mills, Ltd., producing kraft, sulphite, newsprint and other lines at Ocean Falls and Vancouver, may also join the list of expanding companies soon.

Sorg Pulp Co. has been authorized to spend $1 million to double production of kraft for midwestern U. S. paper mills, and B. C. Pulp & Paper Co. is spending $750,000 on increasing bleached sulphite and rayon capacity at its two mills at Woodfibre and Port Alice.

Westminster Paper Co. recently carried out extensions costing over $200,000.

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R. G. Todd

Secretary Treasurer

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Head Office Toronto

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INDUSTRIAL ACCEPTANCE CORPORATION, the largest Canadian-owned company in the field of instalment finance, has constantly directed its influence towards sound terms of repayment in instalment selling.

Of the $18,000,000.00 receivables on the books of the Corporation at August 1st, 1941, approximately 90% or $16,000,000.00 matures within 12 months. The average down payment of retail transactions purchased was about 38%.

In the 10-year period beginning January 1st, 1931, I.A.C. has financed over $200,000,000 of contracts the loss ratio on which has been 32/100ths of 1%. This period included the most severe depression in history.

Working capital of the Corporation and its wholly-owned subsidiaries, Industrial Factors Corporation, Limited, and Campbell Auto Finance Company, Limited, is in excess of $5,000,000.

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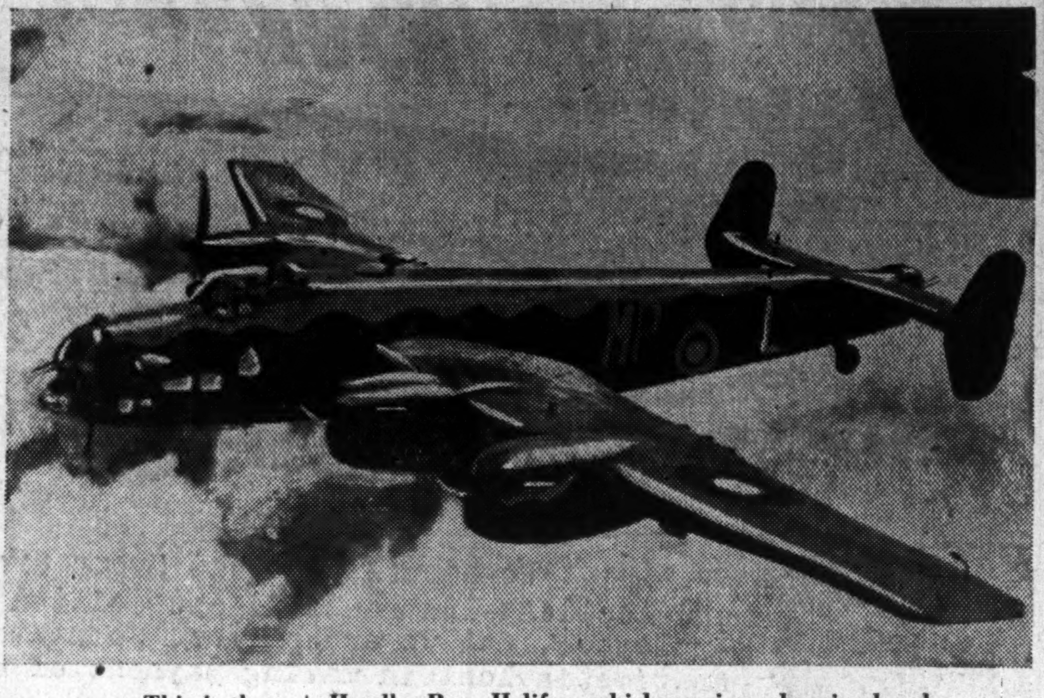
New R. A. F. Planes Vastly Increase Britain's Aerial Striking Power

By R. A. KEITH
Editor, Canadian Aviation



This is the new Handley-Page Halifax, which carries a heavier bomb load than the famed Flying Fortress.

Britain's new fighters and bombers promise to maintain the all-important technical superiority established so decisively by the Hurricane and the Spitfire during the Battle of Britain. This is evident from glimpses of the Hurricane II, the Spitfire V, the Halifax and the Stirling, all of which are now in action against the Luftwaffe. It is further testified by the evidence of experts who have examined even later types, still too secret for discussion.

The new fighters feature devastating fire power, culminating in the Hurricane II with 12 machine guns firing from the leading edges of its wings.

The four-engined bombers, Halifax and Stirling, can carry heavy bomb loads from London to Berlin with ease. They are reported to exceed the American Flying Fortresses and the Consolidated Liberator in loading capacity and range.

While the shroud of official secrecy has been raised sufficiently for judgment of these warbirds, there are others even now being delivered to the service squadrons of the Royal Air Force. These are such as the mysterious Manchester bomber, and the successors to the Hurricane: the Typhoon and the Tornado.

"World's Greatest Fighter"

Referred to as the world's greatest fighter and chief defender of Britain when the German Luftwaffe was pouring its aerial armada across the Channel, the Hurricane has been stepped up in power, performance and armament to match anything the Nazis have to offer.

Designed originally in 1934, the Hurricane had benefited from many improvements before it entered the Battle of Britain. The original fabric-covered wings had been replaced with all-metal ones, the Rolls-Royce engine had been "souped up," and the fixed pitch propeller had been replaced with a constant speed airscrew. That was the Hurricane I.

The Hurricane II, which will carry many graduates of the Air Training Plan into battle, represents another radical improvement and is virtually a new aircraft, merely retaining the well-proved qualities of its predecessor.

Further stepping up of the Merlin engine's power has vastly increased the rate of climb and the ceiling (maximum altitude) of the plane. But the most astonishing development involves the piling on of guns until the one-man fighter is practically an arsenal on wings.

There are two versions, one with cannon, the other with machine guns. The cannon-equipped Hurricane is slightly slower.

The Hurricane IIA has 12 Browning 0.303 in. machine guns which fire automatically from the wings. The combined rate of fire is 14,400 rounds per minute, which means that while firing, these guns spit out 360 lb. of lead every 60 seconds. The concentrated blast of these 12 machine guns is said to be so devastating that it simply explodes its target.

One Burst—One Wing

The Hurricane IIB is equipped with four 20 mm. cannon set in the leading edges of the wings. This is the greatest fire power of any single engined fighter in the world. At the touch of the firing button, the aircraft sends out explosive shells at the rate of 600 lb. per minute.

The terrific armament of the latest Hurricane has proved to be more than a match for Germany's newest fighter, the Messerschmitt 109F, on recent daylight excursions over Europe. Escorting bombers, the 12-gun Hurricane has been known to rip off an opponent's wing with a two-second burst. The cannon version has already been used effectively against ground targets and ships.

Still heavily cloaked by the censors, the Hawker Typhoon is known to be in production in England. It first flew in February, 1940, but even its existence was kept secret for 15 months.

Flies Faster, Farther and Higher

The Typhoon is powered with the remarkable 2,400 h.p. Napier Sabre engine, most powerful in the world. Another Hawker product also on the secret list but likely to rocket into prominence soon is the Tornado, which likewise flies faster, farther and higher than the present Hurricane.

The Westland Whirlwind is a twin-engined fighter which has been flying at fantastic speeds ever since the prototype or first model took the air early in 1939. Evidently the plane is not yet being used extensively in the R. A. F. and its secrets are still jealously guarded.

The most versatile and useful air weapon now in use by the R. A. F. is the Beaufighter, some details of which have been officially disclosed. It is an ultra-modern twin-engined fighter, being used for night fighting, for defensive escort work and as a light bomber.

Considerably larger than the Hurricane (span 57 ft. 10 in., compared with 40 ft.), the Beaufighter carries a crew of two and has a top speed of over 330 miles per hour when flying at 14,000 feet. At its economical cruising speed of 200 m.p.h., it has a range of 1,500 miles. Thus, it has endurance enough to accompany bombers on medium-distance raids, and sufficient speed to be effective in combat.

Revolutionary Fighter

The armament is exceedingly heavy, consisting of four 20 mm. cannon fixed in the floor of the fuselage, and six machine guns firing from the wings. There is also the possibility of installing a power-operated gun turret if required.

More secret than any of the above types, a new and revolutionary fighter is to be manufactured in Canada. Instructions have recently come through from the Air Ministry to the effect that this plane is not even to be mentioned by name. A number of the type are already in use by service squadrons, but probably the censorship ban will not be lifted until some have been shot down over enemy territory.

Opposed to today's Spitfire and Hurricane, the Nazis have an improved version of their well known Messerschmitt single-engine fighter. It is the ME 109F and features a formidable rapid-firing 20 mm. cannon as well as having improved performance.

40,000 Feet Up

From the earlier type, the rate of fire has been multiplied 10 times to deliver the astonishing rate of 900 rounds per minute. Supplementing this cannon are two machine guns. Fortunately for the R. A. F. planes, the Me 109F carries only 200 rounds of cannon ammunition, thus limiting the duration of firing to about 13 seconds.

The Mercedes Benz engine powering the 109F has been stepped up about 6%, increasing the speed of the fighter from 354 m.p.h. to 362 m.p.h. at 13,300 feet. At 21,000 feet the top speed is 380 m.p.h., while the ceiling or maximum altitude at which the plane can operate is 40,000 feet. This ceiling is remarkable for a fighter and represents the highest elevation at which men can exist with present oxygen equipment.

Rumors are now current in the fighting forces of an ultra-recent German fighter with a radial engine. It has been tentatively identified as the Focke-Wulf 190, but little is yet known about it.

Experts who have studied the new British and German fighters in England declare that while the Me 109F is "a worthy fighting plane," the Hurricane II and the Spitfire V "are better on every score."

Steady Development

Discussing the still-secret types and possible surprises which will be sprung in this never-static competition for supremacy in the air, the experts point out that the most successful designs are not the result of sudden inspiration. The war has demonstrated the importance of steady development. Sound designing practice backed by long experience is conceded to be the only basis for successful aircraft creation. The Hurricane and the Spitfire foreshadow insuperable quality and performance in British fighter aircraft for the rest of the war.

Heavy bombers are the offensive arm of retribution with which the R. A. F. is now sweeping across northern Europe and deep into Germany and Italy. Quite recently two four-engined mammoths have vastly increased the striking power of the democracies. They are the Short Stirling and the Handley-Page Halifax.

The Halifax has a wing span of 99 feet, about five feet less than the Flying Fortress. It is two feet longer (70 ft.) than the American Fortress, and carries a heavier bomb load although it does not fly as high.

With a span equal to the Halifax, the Stirling is 17 feet longer and about the same height (22 ft. 9 in.). This is the type which for a time was scheduled for manufacture in Canada, succeeding the Hampden assignment. But for various reasons these plans were abandoned.

The Halifax has four Rolls-Royce Merlin engines, giving the terrific total of 5,200 h.p. for takeoff. The Stirling, on the other hand, has radial engines, either the English Bristol Hercules, or the American Wright Double-Row Cyclone.

Thus the Wellingtons and the Whitleys, until recently the standard long-range bombers of the R. A. F., have moved back to the medium category to make way for the four-engined monsters. The range and striking effectiveness of Britain has increased enormously.

The Stirling and the Halifax each carry bigger bomb loads than any other types in the world except the experimental Douglas B-19, which is much slower. The Fortress and the Consolidated Liberator, from the U. S., carry smaller loads but are the highest-flying operational bombers in existence. It is therefore apparent that the Royal Air Force is well equipped for offense as well as for defense.

Lobsters Jump War Barriers

Domestic Sales Rise 467% Replacing U. K. Market

As result of a campaign launched last year by the Dominion Department of Fisheries, output of the lobster industry of the Maritime and Quebec provinces, for the first time, found its entire outlet on this continent.

The Department of Fisheries reports the effect of the complete loss of European markets at the beginning of the war has been successfully offset by efforts of Lobster Control Board to create and sell new markets on this side of the Atlantic.

It is pointed out that until the fall of 1939 almost 85% of the industry's output was sent across the Atlantic, and when Great Britain was forced to place canned lobster on her banned import list, Canada's $2 millions industry faced disaster.

The seriousness of a situation which deprives the lobster fishermen of their main cash income and a sizeable industry of the bulk of its sales, influenced the Department of Fisheries to offer canners that it would purchase and market an inspected and graded canned lobster as Canada Brand. The canners were glad to co-operate to save their industry.

Thus, for the first time, Canadian lobster was inspected and graded under government control and for the first time it reached the Canadian and United States markets in quantity as a moderately priced product. The government's own product, Canada Brand, accounted for approximately 12% of the total sales. Increase in Canadian sales amounted to 467% of last year, while American sales rose 400%. It is stated that cost of the government's advertising and sales promotion campaign amounted to less than 1c. per tin sold. Cost per dollar of sales was 5.2c.

Reliance Grain Co. Whittles Down Arrears

From Our Own Correspondent

MONTREAL.—Reliance Grain Co. has announced a dividend of $1.62½ a share on its preferred stock for the quarter ending Nov. 30, 1941. A dividend of $1.62½ for the quarter ended Aug. 31, 1938, was also declared. Both dividends are payable Dec. 15 to holders of record Nov. 30.

Dividends on the preferred stock were resumed with the regular quarterly disbursement on March 15, 1940. Payment of $3.25 a share had previously been made Dec. 20, 1939. Arrears now amount to $8.12½ a share.

Steel Output Key To Ships

MacMillan Looks For Big Jump in Production by Spring

From Our Own Correspondent

VANCOUVER.—Steel supply continues to be the measuring stick of Canada's cargo ship construction programme, according to H. R. MacMillan, president of Wartime Merchant Shipping, Ltd.

"Canadian steel production is steadily increasing and we have assurance there will be a very substantial improvement by next spring," Mr. MacMillan told The Financial Post. "But the enormous manufacturing effort of the United States has thrown a much greater load on the Canadian steel industry than would otherwise be the case.

"Naturally we can only admire the mobilization of U. S. steel resources for defense, but the fact remains Canada is not going to be able to rely as much on American steel mills as we could have in normal times."

Mr. MacMillan, who has been making a survey of the shipyard situation on the west coast, said progress was "really inspiring," especially since many of the plants had virtually a standing start.

While on the coast Mr. MacMillan announced that Austin C. Taylor will assume general direction of the shipbuilding programme in British Columbia, where about two thirds of Canada's cargo fleet is being produced.

Echo of 1914-1918

Mr. Taylor, one of Vancouver's top ranking industrialists, president of Bralorne Mines and a director of the Bank of Canada, Boeing Aircraft and B. C. Packers, has been a member of the board of Wartime Merchant Shipping since its inception.

Incidentally, the new setup recalls the relationship of MacMillan and Taylor in the last war, when Taylor was directing airplane spruce production here for the late Sir Joseph Flavelle in the Imperial Munitions Board, and MacMillan, as chief forester for British Columbia, was helping to mobilize timber for war industry.

George Burrows of Montreal, formerly with Vickers, has been appointed manager for Wartime Merchant shipping on this coast, replacing James O'Halloran, who has been recalled by Anglo-Canadian Paper Co. of which he is chief engineer.

Great West to Write Accident & Sickness

The Great West Life Assurance Co. has been licensed by the Dominion superintendent of insurance to write personal accident and sickness insurance. The company heretofore has been licensed to write only life insurance. This brings the number of life companies writing accident and sickness insurance in Canada to about a dozen.

Details of the Great West's plans in this field have not yet been announced.

The company was established in 1891 and began writing business in 1892. At the close of 1940 it had business in force amounting to $606 millions exclusive of annuities. If annuities are added, the business in force amounted to $640 millions.

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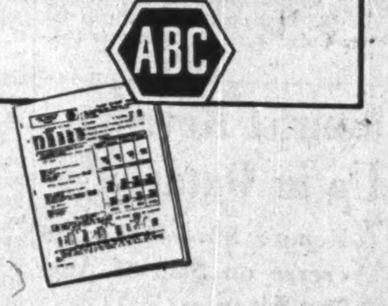

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Always make A.B.C. reports your starting point in buying advertising space. If you do not have the latest A.B.C. report on any publication in which you may be interested, ask for it. Demand it. Study it. Then, judge soundly how the circulation fits in with your sales program.

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How Shrewd Planning Gave Results Ahead of the Market

Learning From "Investing in Wartime" Contest Winners

By A. D. ELLWOOD
Investment Editor, The Financial Post

Careful selection of an investment portfolio gives results which are very much better than average market performance.

And while careful selection of a portfolio is of initial and great importance, of even greater importance is continual supervision and study.

These facts stand out in a study of the investment programmes outlined by contestants who submitted entries in The Financial Post's contest of October, 1939, in which investment specialists were asked to draw up a portfolio for a hypothetical businessman with $50,000 to invest.

Another interesting conclusion about investment policies advocated by the 120 entrants is that in the two years of the very different kind of war which have elapsed since the contest was concluded a backlog of good bonds has been the best basis on which to build an investment portfolio.

The inflation generally feared two years ago has not yet developed to the stage where it threatens high grade bond prices, and interest rates are even lower than they were two years ago.

Illustrative of the place that careful selection can play in a long-term programme is the case of one prize winner who included six gold stocks—three major producers and three junior golds—in his portfolio.

At Oct. 31 this year, this selection of gold stocks showed an increase in market value of 14% over Oct., 1939; the income received from these six stocks in the year ended Oct. 31 last was 125% more than this contestant estimated he would receive. At the same time the D.B.S. index of gold stock prices showed a decline of around 30 points.

In judging the contest of two years ago emphasis was placed on the programme and on the basis of the arguments presented, not whether the securities proposed agreed with ideas the judges might have.

Despite the fact that unlike an actual portfolio which would almost undoubtedly have undergone some change—for better or worse—in the intervening time, prize-winning portfolios would all have given substantially better performances than indicated by action of Canadian stock market indices. None, however, would have been able to avoid some depreciation in market value.

October 31, 1939, the date when the contest closed and which was set arbitrarily some six weeks in advance, came close to coinciding with the peak levels reached by Canadian stock markets since the war started.

More than one contestant stated that if he had been free to choose his own time for buying he would not have chosen late October in 1939.

What Has Happened

The Dominion Bureau of Statistics monthly index of common stocks was at 96.6 for October, 1939. It closed at 68.9 for the week of October 30, 1941, a decline of 28%. In October, 1940, it was at 74.2, a drop of 7% in the latest year.

As most contestants avoided bank and financial securities and were doubtful regarding utilities, probably a more accurate comparison would be that of the D.B.S. industrial share index and the mining share index. The industrial share index for October, 1939, was 97.3; for Oct. 30 this year it was 65.5, a drop of 31.8 points or 33%.

The D.B.S. index of 25 mining stocks was 100.9 for October, 1939; by October this year it was down about 30% from two years earlier.

Contrast this with the performance of The Post's prize winners of two years ago. Four of these contestants show declines in market value of around 11% and four more of approximately 14%, all less than half that of the indices mentioned for the market in general.

Over the past year, one portfolio shows decline in market value of 1.8%; another one of 2.8% and several other declines of three or four per cent.

The Financial Post invites contestants who submitted a portfolio two years ago to re-assess their selections, to outline what they believe an investment policy should be today and to send their findings and suggestions as soon as possible for probable publication next week.

These results were obtained, moreover, under handicaps such as few investors would have to face. The date on which the portfolio was to be purchased was set arbitrarily.

Then each portfolio was treated in a way that no well-managed list would be handled. It was "put away and forgotten" for at least a year at a time. It did not get the continuous study and management which all contestants said should be given.

This meant that nothing could be done when it became evident that many stocks were in a long-term decline; no advantage could be taken of the changed outlook for the newsprint group of securities when Scandinavian exports to the United States were shut off by German victories.

The war has brought many changes in the Canadian economy. It has brought taxation, for example, on a scale not heretofore thought possible. It has meant increasing imposition of economic controls, culminating in the recent freezing of wages and prices, something which few indeed would have foreseen two years ago. Few indeed foresaw the turn the war was to take in the spring of 1940, a turn which resulted in perhaps three-quarters of the theoretical losses that have occurred.

All these factors, and many others, worked against contestants.

Not Being Liquidated

Another thing to remember is that these portfolios are not being liquidated as at Oct. 31, 1941, or any other specific date. They continue to exist. This means that there is still ample opportunity to turn paper declines of today into a profit on the same basis tomorrow. All that is needed is a change in the action of the stock market.

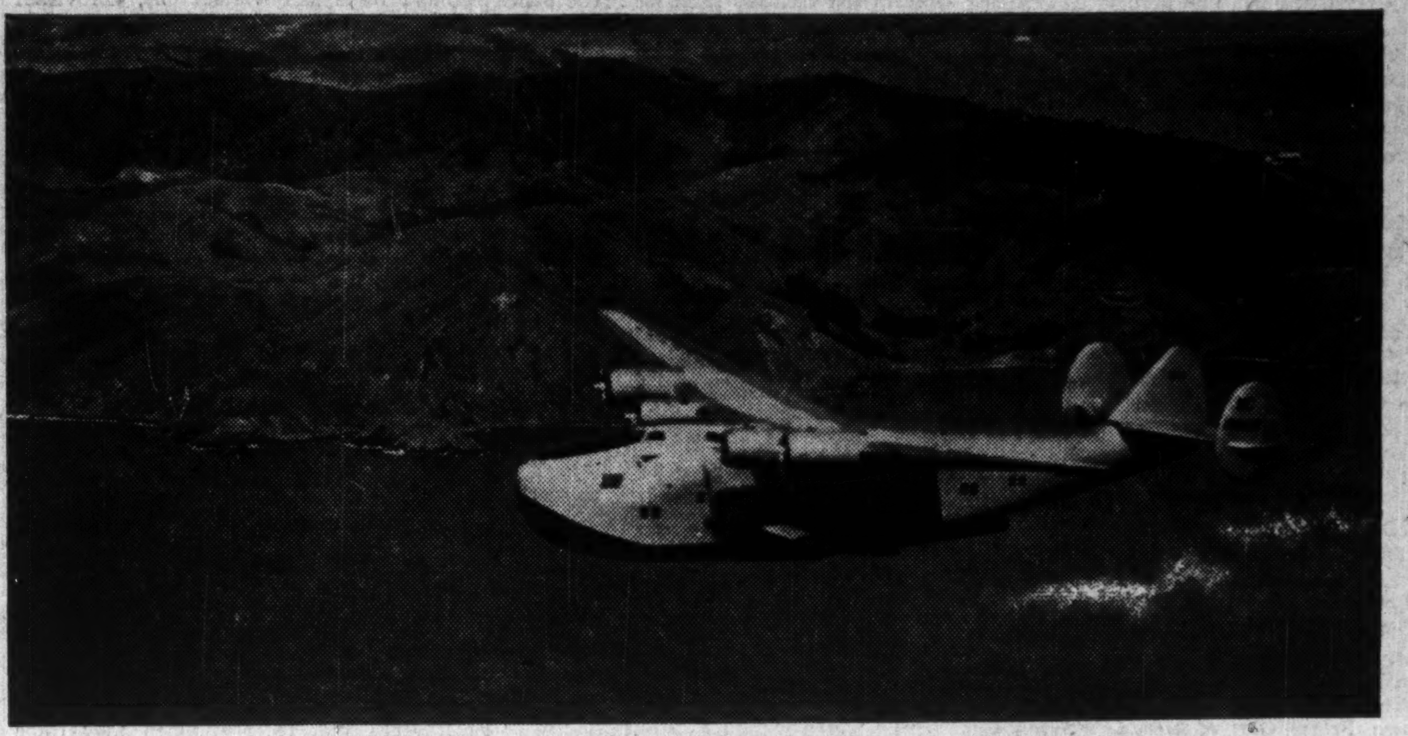
From the income standpoint, most portfolios did better for their theoretical holders in the past year than they did in the first year of their existence. Yields over the last year varied from 3.01% to 5.61% for the highest among those studied. The tendency for income to rise is important. It may do much to offset higher living costs, a trend that should at least be slowed up if the Dominion's current price-wages ceiling policy achieves the results aimed at.

No attempt has been made here to bring up to date all of the 120 portfolios which were submitted. It is quite possible that some entrant's portfolio has made a better showing than any estimated here; may even have overcome the tremendous handicaps of the declining stock markets and shown a paper profit on two years of operations.

In view of general market action and the degree to which the effect of this war on business differs to every other war in history, the record of the portfolios here studied is generally an unusual tribute to investment study and sound planning.

Some Typical Portfolios

	Cost When Submitted $	Value Oct. 31 1940 $	Value Oct. 31 1941 $	Income 1940 $	Income 1941 $	Yield 1940 %	Yield 1941 %
S. C. SCOBELL (First Prize)							
Bonds	16,260	16,453	16,390				
Stocks	33,637	28,413	26,394				
Total	49,897	44,866	42,784	2,203	*2,507	4.42	*5.03
*Includes $260 received on Abitibi 5% bonds this year.							
H. J. BIRD (Second Prize)							
Bonds	10,310	10,375	10,350				
Stocks	39,495	35,380	33,605				
Total	49,805	45,755	43,955	2,543	2,429	5.11	4.88
D. J. AGNEW (Honorable Mention)							
Bonds	10,490	10,000	10,055				
Cash	10,000	10,000	10,000				
Stocks	29,455	25,080	22,248				
Total	49,945	45,080	42,303	2,156	2,263	4.32	4.54
THOMAS A. ANDREWS (Honorable Mention)							
Bonds	10,650	10,350	10,000				
Stocks	39,212	35,187	32,720				
Total	49,862	45,537	42,720	2,628	2,832	5.28	5.68
BRIAN N. BARRETT (Honorable Mention)							
Bonds	nil	nil	nil				
Stocks	49,200	43,425	41,130				
Total	49,200	43,425	41,130	2,833	2,758	5.76	5.61
ALLAN P. FISHER (Honorable Mention)							
Bonds	19,238	17,508	18,305				
Stocks	30,762	25,187	21,999				
Total	50,000	42,695	40,304	2,268	2,245	4.53	4.49
LEON FRAZER (Honorable Mention)							
Bonds	10,597	49,967	10,098				
Stocks	38,963	34,178	32,230				
Total	49,560	44,145	42,328	2,319	2,377	4.68	4.75
J. C. INGRAM (Honorable Mention)							
Bonds and cash	12,689	12,562	12,845				
Stocks	37,311	31,456	29,923				
Total	50,000	44,019	42,768	2,119	2,103	4.24	4.21
TREVOR F. MOORE (Honorable Mention)							
Bonds	*12,040	12,110	12,070				
Stocks	37,182	31,614	29,738				
Total	49,202	43,724	41,808	2,012	2,011	4.09	4.09
J. E. C. PANGMAN (Honorable Mention)							
Bonds	20,730	5,400	21,000				
Stocks	29,238	39,544	22,360				
Total	49,968	44,944	43,360	1,995	2,057	4.00	4.12
STANLEY E. NIXON							
Bonds	31,907	31,763	31,855				
Stocks	18,074	13,396	12,471				
Total	49,981	45,159	44,326	1,496	1,504	3.00	3.01
J. B. HAWSON							
Bonds	20,056	20,175	20,144				
Stocks	29,763	24,628	22,598				
Total	49,819	44,803	42,742	1,793	1,786	3.60	3.59
H. B. McKIBBON							
Bonds	13,163	12,613	12,575				
Stocks	36,925	32,012	29,120				
Total	50,088	44,625	41,695	1,946	2,150	3.89	4.30
J. F. CLARK							
Bonds	29,593	27,880	27,957				
Stocks	20,544	14,841	13,073				
Total	50,136	42,721	41,030	2,100	1,929	4.07	3.85
GOODWIN R. HARRIS							
Bonds	15,051	15,059	15,036				
Stocks	34,836	26,794	23,705				
Total	49,887	41,853	38,741	1,826	1,961	3.67	3.92
W. D. ROSS							
Bonds	nil	nil	nil				
Stocks	46,840	34,792	31,500	1,808	1,708	3.86	3.65



No bridal suite in the Atlantic Clipper now—It doesn't pay.

Bizarre City, Born of War Greets Atlantic Clipper

Lisbon Today is Tense With Clashing Interests of Warring Powers—People, Plane Priorities, Gestapo and Propaganda Chief Impressions Left by Stop-over en Route to London

By FLOYD S. CHALMERS
Editor, The Financial Post

LISBON (By Mail)—Thousands of people have crossed the Atlantic by "Clipper" and it is no longer a novelty to write about. But it seemed a fascinating and exciting adventure to me until the night after I landed when I had dinner with the Captain of the Clipper. He made it seem almost an obsolete mode of travel.

"You and I won't live to see it," he said, "but the day is coming when scientists will devise a new mode of travel. They'll do to the human body what they now do to the voice. They'll just turn it into an electric beam or ray of some kind, send it across the Atlantic instantaneously, and then unscramble it the way they do with a wireless telephone message, and turn you back into yourself again—clothes, baggage and all."

It took a minute to absorb so imaginative a concept as that. But he was in deadly earnest. When I scoffed and said "How do you know the machine won't go wrong and turn me into Adolph Hitler?" He replied: "I am sure that when someone first suggested sending the human voice across the Atlantic by ether, some person was afraid that he'd talk English in New York and end up by speaking Spanish in England."

But obsolete as Clipper travel is, it is nevertheless so fast, so comfortable, and so interesting that one wonders if the next generation will ever see passenger liners except as pictures in school history books.

There is more room to move around on a Clipper than on a transcontinental train, more comfortable berths and seats, better air-conditioning, less noise and less shaking up. The food is good although our stewards never seemed to change their watches after they left New York and we found ourselves eating dinner at 11 o'clock at night (sun and stomach time), lunch at 4.30 and so on.

The crew of 12 has the training and physique of a hockey team. Our skipper, who has had to learn more than the Captain of a crack ocean liner, started out to be a surgeon and got diverted by the R.A.F. and the U. S. Army Air Corps in the last war.

When he made up his mind to be a doctor he took up the piano and practised hours daily to strengthen his fingers so he could become a fine surgeon.

He has carried the same thoroughness into this work, which is why he holds that topmost of all aviation "degrees"—Master Pilot of Ocean Flying—which can hardly be won in less than 20 years of arduous study and practical work as navigator, engineer and pilot over scores of different land and oversea routes. His task is no easy one for he must be prepared to meet any mechanical, diplomatic or navigational problem and, in addition, keep his passengers contented and unworried.

The Captain of a Clipper has what most of us would call an "easy" life. It takes him 30 hours to jump from New York to Lisbon. There he must lay over for a complete rest of 3 or 4 days while another Clipper captain brings his ship home. Then when he gets back to New York he is completely free of any duties of any kind for between 2½ and 4 weeks. Panair doctors insist on this rest. Other crew members get rest periods, depending on the arduousness of their duties.

Transatlantic Clippers make an idol of lightness. The "China" is featherweight; the cutlery half-size (and the pillows too). Even the paper drinking cups at the water-fountain are small. When one considers that Pan-American gets $1.20 per ounce round trip for all the mail it can squeeze on board after the passenger load has been embarked, it will be seen why you can't have a steel knife to cut your meat. One such knife would cost tens of dollars a year to carry. The weight represented by a 150-lb. man (and his baggage) on a return voyage would be worth nearly $4,000 to Pan-American if it were mail and the company gets only $945 for carrying him. Passengers are a losing proposition but Panair carries all it can stow in, which is a maximum of 71, of whom 42 can sleep. Actually such a large number travel only on short hops. On the 14-hour run between Bermuda and Horta there will not be more than about 30 passengers all told.

Lisbon today is one of the world's most colorful crossroads. Here, in hotels, offices and on the street, diplomats, espionage agents, secret police, newspapermen, refugees, representatives of all the world's clashing ways of life, meet. Here, in one of the few neutral ports of entry left in Europe the Trans-atlantic Clipper unloads its history-making human freight. In this article, Floyd S. Chalmers, editor of The Financial Post, describes his flight across the Atlantic, his impressions of this city, and the people he met.

Bridal Suite — No Profits

It is easy to see then why the "bridal suite" built into the Clippers has been converted into a better paying compartment. The furniture alone in it cost $5,000 a trip to carry.

The Clipper costs $400 a minute to operate; travels at a cruising speed of 150-180 miles an hour; usually rides at about 8,000 feet (or more if the weather is better at 10,000); is usually above the clouds. Its 6,400 h.p. engines use only 42% of their power for cruising. The reserve of gasoline is always enormous.

The stops en route give one a brief look at two kinds of colonial Empire. Bermuda is typically British. It is quiet, courteous but thorough. Even if you are a through passenger your baggage is examined by customs. The reason is obvious; to seal up possible holes in the contraband and censorship controls. One doesn't see Bermuda from the air because the window blinds are drawn —again for obvious reasons—landing and taking off.

There was a touch of Canada at the customs shed in Bermuda, where the walls were attractively decorated with British posters printed and circulated by S. C. Tweed's Universal Life Assurance and Annuity Co. of Winnipeg.

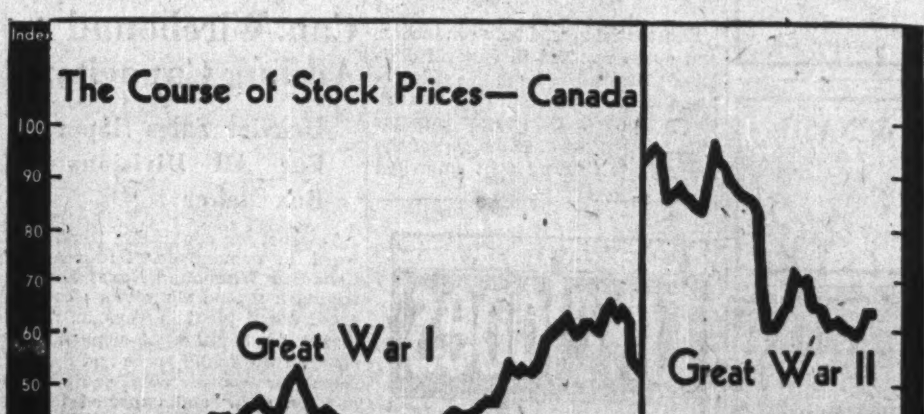
Don't Worry Here

There was no drawing of the window blinds in the Azores. There are defense works there but they are high in the mountains which reach up as much as a mile and a half in the sky. The Clipper skirts the islands at a maximum permitted height of 200 metres so that the passengers cannot satisfy any unhappy curiosity—even if the low-hanging clouds permitted.

I always thought of the Azores as about the size of a small Canadian county but after we passed the first island we were still 120 miles from Horta, and after we left Horta we flew for an hour or so at 180 miles per hour before we waved the last beach of jet-black sand goodbye.

At Horta, one saw hundreds of smartly dressed officers and not so smartly-dressed soldiers. The officers had the Potsdam touch about them and indeed many of them had gone to German military schools. Most of the senior officers had Spanish Civil war medals. All in all, it is easy to believe that the Portuguese army is rather much im-

(Continued on page 14)



How prices on Canadian stock markets behaved in the first world war and to date in the second world war is shown in the above chart, based on D.B.S. figures.

Bizarre City, Born of War Greets Atlantic Clipper

(Continued from page 13)

pressed by one Mr. Hitler even if the civil officials seem to lean toward Britain.

The officers were down—not to welcome the silver flying fish that brought us to their lava shores—but to say farewell to the local military commander, who was off to Lisbon for a few months. He was hand-shaken, kissed and saluted 10,000 times and even the donkeys and oxen lifted their sleepy eyes in the Portuguese equivalent of "Good-by."

Less Competition Here

Horta gave me a fleeting feeling of importance. The parting at the LaGuardia airport Clipper Basin and the stop at Bermuda left most of the passengers feeling like "nobodies" because all the reporters and all the autograph hunters were after Beverley Baxter and two popular movie-radio stars who were aboard. At Horta I got into conversation with a man who looked as though he could speak English and I soon learned that he was a Canadian—H. Gilbert Smith—who was a brother-lieutenant of Angus L. MacDonald (now Navy Minister of Canada) in the 25th battalion (Halifax) in the last war. He is a brother of J. Stanley Smith, Hollis Street insurance broker in Halifax and is a local manager for Commercial cables. When he learned I was from Canada, his daughter Betty asked for my autograph which I put below those of Viscount Halifax, Crown Prince Olaf of Norway, Myron C. Taylor and others who have recently crossed by Clipper. Condescendingly I introduced Baxter and the two movie stars to her and—much humiliated by being put in second place by a mere editor—they autographed her book below my signature.

Wartime Lisbon has been so much written up that there is little to tell about it that is news. It is the fantastic, exciting place one expects to see—a seething mass of Nazi spies, "in transit" Englishmen and Americans, stranded women and children who have been waiting months for a 'plane seat to anywhere, ex-millionaires turned beachcombers and refugees from war. The police are numberless and tough. You must report within 48 hours and get permission to stay longer. They will pick you up if you look suspicious and they will drag you off to the magistrate if you light your cigarette with an unlicensed lighter. The Government's match monopoly has to be protected and the fine is 600 escudos (or $30) if no one happens to warn you.

The stories about the Nazis here are not exaggerated. My table in the dining room is next to that of the Gestapo chief here. (I haven't spoken to him yet and don't intend to. But we did meet at the front door this morning. Each tried to bow the other through first without speaking and I won, whereupon he thanked me in French with a dark Prussian accent).

I soon had an example of how he works. One evening after dinner, I was walking with a friend on the beach, and passed a man with one of those tin-type cameras. We toyed with the idea of having our pictures taken, but decided the sun was too low, and walked on. Later, turning a corner, I saw our tin-type man showing his pictures to our friend of the Gestapo, and learned a lesson in International espionage.

Some visitors get terribly worried about the Germans. There's the U. S. Department of Justice agent—on his way to England—who nearly had a stroke this morning when he learned that he had slept all night in the room next to two Nazi agents which his department had just tossed out of America. Tonight he will sleep between a Canadian and an Englishman and is hoping he'll live to catch tomorrow's plane.

His worries were unnecesary; the only thing that one need watch with particular care is one's passport, for passports are worth a thousand dollars apiece here in the underground trade and without one, the visitor is in a miserable state of misfortune.

Getting to Lisbon is not easy. One needs a priority on the Clipper out of New York and also a lot of papers and visas, so numerous that no one—not even Panair officials—can list them all, with the result that you may find yourself left off the Clipper at the last minute because you haven't some petty document that no one even told you to get. That happened to Beverley Baxter and me when we got sandwiched in between conflicting official rulings.

Like Adjectives in Film Ads.

Getting out of Lisbon is next to impossible without many more papers and "priorities." Having a "preferential priority" means no more than the adjectives in film ads. The story about the movie magnate who remarked of his latest film that it wasn't much good; he was afraid it was only "colossal" could be re-told about "preferential priorities." There are people here who have had "priorities" for months but there's always someone with the next higher "super colossal" priority who gets the last vacant seat on the plane to Britain or the Clipper to America. A handful of Canadian journalists discovered that recently when they came here to board the Clipper for home and that's why most of them went home by the overcrowded "Excambrion" as I imagine they have already told their readers in indignation.

Exchange Fancy Work

If one is stranded in Lisbon it can be embarrassing. Pounds sterling are no good here beause of the embargo on currency going into Britain. American dollars are acceptable but when one tries to exchange them for escudos one is told that the Nazis have been trying to break the market, that they have flooded the shops with dollars and you can only have 20 escudos to the dollar. If you have only a limited amount of dollars and no way of getting more that is bad luck because you expected to get 25 to the dollar. It increases the price of your hotel room from $2.50 a day (plus half a dozen assorted taxes) to $3.00; of your breakfast from 28 cents to 35 cents and dinner from $1.20 to $1.50. A bottle of wine is still only 65 cents although for some reason port and sherry, which are vinted here cost twice as much as in Canada.

There aren't any local newspapers in English but one learns to read the war dispatches in Portuguese, even if one has never seen it before. You soon learn which papers are pro-Nazi and which pro-British by observing the size of type in which they print the different communiques.

Free German Reading

However, if one does not mind getting the news two or three days old, there are many reading rooms where English papers may be read, while every few days a Clipper crew arrives bringing day-old New York papers which pass quickly from hand to hand.

The Germans have, it seems, undertaken to supply the good people of Portugal with free reading matter "for the duration." German books, newspapers, pamphlets, magazines and illustrated periodicals can be picked up anywhere. They are in many languages — German, French, Portuguese, Spanish, Italian, etc. I have not seen any Nazi literature yet in English. Nor is there much evidence that Hitler's agents permit brother Benito to circulate his propaganda here. The Nazi news emphasizes, of course, Germany's military might; the vast numbers of Russian prisoners taken; the weakness of Britain; the foulness of Uncle Sam Shylock's motives in aiding Britain and so on. The cartoons of Churchill and Roosevelt are a noisome stench. Roosevelt is always shown as a cripple leaning on a cane. There are few references to the Fuehrer; the Germans are clever enough to know that they cannot sell the Portuguese on the kindliness of their leaders or the justice of their case. They merely display their military might as though to say to the Portuguese "we could take your country before breakfast."

Just Want No Trouble

The Portuguese know that, and they also know that the United States could pick up the Azores or Britain occupy Lisbon if they found it necessary to do so. So they pray for peace and try to avoid trouble all around. Yesterday a Nazi sub got another Portuguese ship. The people here were very angry but they kept their feelings to themselves. My hotel porter said, bitterly, "that makes three; tomorrow it will probably be four, and then five. Soon there won't be any Portuguese ships and then they'll stop sinking them."

The manager of the hotel may or may not like having so many Germans here. He always speaks of them, to me, as "our friends"—which is intended as sarcasm—and he tells me scornful tales of their truculence. But he is aware that I am Canadian and, for all I know, he is, with strict neutrality, equally scornful of Canada and Britain when he talks to the Gestapo leaders who are his guests.

If Nazi literature is abundant, it does not mean that the British case is submerged. The British Information service is, I am told, excellent and the Portuguese people have every opportunity to know how strong is the war machine the English-speaking peoples are building for the ultimate defeat of Hitlerism.

Very definite limits are placed on what one may write about contraband control, but from all reports, it is not only effective, but fair. Britain allows Portugal to import food and supplies roughly equivalent to the needs of her population, but not enough to re-export to Germany. If the police here did not watch carefully, the Germans would for example, buy up all the chocolate and send it to Germany. But they are of course, not allowed to do so.

Hand Labor Maker

On every hand in Portugal one sees evidence of the work of that benevolent tyrant, Salazar. He is building fine highways. (As three or four of us drove along one of them last night, one of the men in the back seat remarked "This reminds me of the Queen Elizabeth Way." He was a Manchester manufacturer who had recently been in Toronto.) Salazar's highways, bridges and public buildings are designed to require the largest volume of manual labor in their construction. The curbings, for example, are of hand-cut stone. Reason: each stone gives some workman a full day's employment while pouring concrete would take only a few minutes. The bridges are built, stone by stone to last a thousand years. Yet even on these sweeping coastal highways the main traffic still consists of hardy little mountain burros. The civilian driver is allowed to use his car only four days a week. Gasoline is 3.35 escudos per litre or about 80 cents a gallon and is not to be wasted for mere pleasure.

Food is abundant—particularly fish and fruit. Native handicraft products are widely displayed but trade in them is small because almost the only travellers are air passengers and it costs about $2 a pound for any excess over your 30 kg. baggage allowance across the Atlantic.

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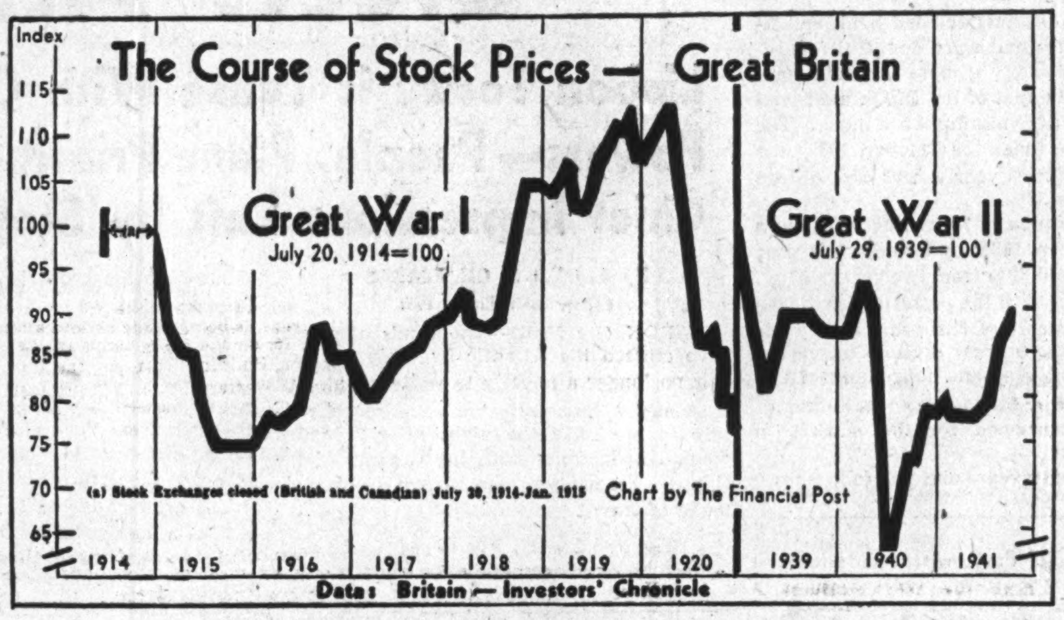


Performance of the London Stock Market during the war has been of outstanding interest to investors throughout the democratic world. Compare this with the similar chart of Canadian market action over the page.

Aluminum Co. Officials Deny Plans for B. C.

From Our Own Correspondent

MONTREAL.—Premier Pattullo's anouncement it was possible the Aluminum Co. of Canada would establish a plant in British Columbia for the manufacture of aluminum, is "news" to company officials.

The Premier is quoted as saying he understood officers of the company would investigate "in a preliminary way the power possibilities and other considerations and factors in British Columbia at an early date" and that he had promised every cooperation.

While there is no outright denial it is considered most improbable that the company will establish a plant in British Columbia.

Factors Against Scheme

It is asserted that in the first place the coast province has not enough spare hydro-electric capacity to warrant establishment of a plant. This would mean that Aluminum Co. of Canada would have to develop its own source of power or make arrangements for new developments with other interests to provide the enormous power supplies required in the manufacture of aluminum.

Moreover at this time Aluminum Co. of Canada has under way two major developments in the Saguenay region which, when completed, will greatly add to productive capacity. These include a major addition to the Arvida plant and development of the power site on the Shipshaw River.

This work will not be completed for some time, but, when ready, Canada will have the means of producing all the aluminum required.

Zeller's Sales Increase 24.6%

From Our Own Correspondent

MONTREAL.—Sales of Zeller's Ltd., in October totalled $883,712, an increase of $131,474, or 17.5% over the same month last year.

Sales in the nine months period to Oct. 31 amounted to $6.5 millions, an increase of $1.3 million, or 24.6% over the corresponding period of the preceding year.

Foreign Exchange

During the week Nov. 4 to Nov. 10 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Nov. 10

Australia	3.58	N. Zealand	3.61
India	.3353	S. Africa	4.47
Hong Kong	.2835		

Dominion Finances Hit New Peak in Past Year

With national defense absorbing 60% of the national budget, Dominion government finances soared to new heights in the year ended March 31.

Revenue reached the record total of $872 millions, borne upward by war-inflated national revenue and increased taxation. It exceeded by $310 millions income for the previous year, the next highest figure on record. In the last year of the First Great War income of the Dominion government was $261 millions.

Dissimilarity between 1914-18 and 1941 collections exists in pay-as-you-go policy adopted by Ottawa in the current war. Financed principally by borrowings the first world conflict did not call for the heavy burden of taxation which Ottawa is now demanding.

War expenditure in the first full year of war totalled $752 millions. Expenditure for all purposes was $1,250 millions, an increase of $569 millions over the previous year, and well above any other annual outlay in the country's history.

War Outlay Breakdown

The 1941 record expenditure was well above the previous record of $740 millions in 1920, when costs of war and demobilization were particularly heavy.

Net expenditure on war during 1941 was as follows:

	(In $000's)
Army	380,345
Navy	88,162
R. C. A. F.	54,777
Air Training Plan	121,502
Internments	805
Sundry defence	2,085
Munitions & supply	79,954
Other departments	24,415
	752,045

Substantial spread between income and outgo resulted in over-all deficit of $377.4 millions for the year, representing increase in net debt. Gross funded debt and treasury bills totalled $4,372 at the end of the year, while floating debt amounted to $31.3 millions. Net debt totalled $3,649 millions.

Following are comparative statements of revenue and expenditure:

Revenue and Expenditure
Years Ended March 31

	1941	1940
	$	$
Revenue:		
Customs	130,757,011	104,301,487
Excise duties	88,607,559	61,032,044
Sales tax	179,701,224	137,446,253
War exchange tax	61,932,029	....
Excise tax	42,533,779	28,581,691
Income tax	220,471,004	134,448,566
Excess profits tax	23,995,268	....
Nat'l. defence tax	27,672,017	....
Other taxes	2,542,707	1,874,922
Tax revenue	778,212,598	467,684,964
Non-tax revenue	81,542,330	73,931,128
Total ordinary rev.	859,754,928	541,616,092
Special receipts	8,538,236	163,812
Capital refunds	20,404	21,244
Other receipts	2,856,077	20,292,311
Total revenue	872,169,645	562,093,459
Expenditure:		
Debt charges	145,742,435	134,605,870
Subsids. & grants	19,243,953	19,243,953
Old age pens., etc.	32,721,387	32,808,115
Health & pensions	54,916,653	56,989,627
Agriculture	8,593,032	11,[illegible],826
Fisheries	1,617,849	2,319,896
Legislation	3,463,836	1,861,665
Mines & resources	15,264,952	16,470,076
Post office	38,699,674	36,725,870
Public works	11,506,678	13,065,212
Transport	15,678,626	15,421,759
Other expenditure	43,180,274	56,994,336
Total ord. expend.	390,629,350	398,323,205
War expenditure	752,045,326	118,291,022
Capital	3,357,810	7,030,038
Relief	27,646,853	54,612,951
Prairie assistance	4,722,368	7,500,000
Wheat board	10,499,677	27,000,000
Govt. enterprises	18,181,679	42,079,149
Relief loans cancel.	....	17,682,158
Loan realiz. prov.	25,000,000	....
Seed loan guar.	7,136,051	....
Other charges	10,382,132	8,275,269
Total expenditure	1,249,601,446	680,793,792
Deficit	377,431,801	118,700,333

United Steel Up On 1940

Plants at Capacity; Common Dividend Still Moot Question

All plants of United Steel Corp. are operating at full capacity, and total volume to be turned out this year will be well ahead of the 1940 mark, The Financial Post learns. While extent of the improvement cannot be detailed, the pick-up has been substantial and operations are booked to capacity for some time to come.

Increased industrial business is a partial reason for the activity, but a considerable portion of the improvement over last year may be traced to direct war work. For some time United Steel has been engaged on important government orders for shell casings and marine equipment. A comparatively recent departure has been the company's entry into the production of parts for tanks.

How the high level of operations will affect net profits this year cannot yet be gauged. Net profit of United Steel in 1940 amounted to $575,409, or $1.15 a common share, but a big part of that was made up of a dividend declared by Standard Steel Construction Co. which had the effect of entirely liquidating Standard Steel's earned surplus before being fully consolidated into the United Steel organization. The dividend was declared on the Standard Steel common shares, practically all of which was held by United Steel. The full integration of the Standard Steel unit into the parent company setup, consummated early this year, is reported to have considerably increased the operating efficiency.

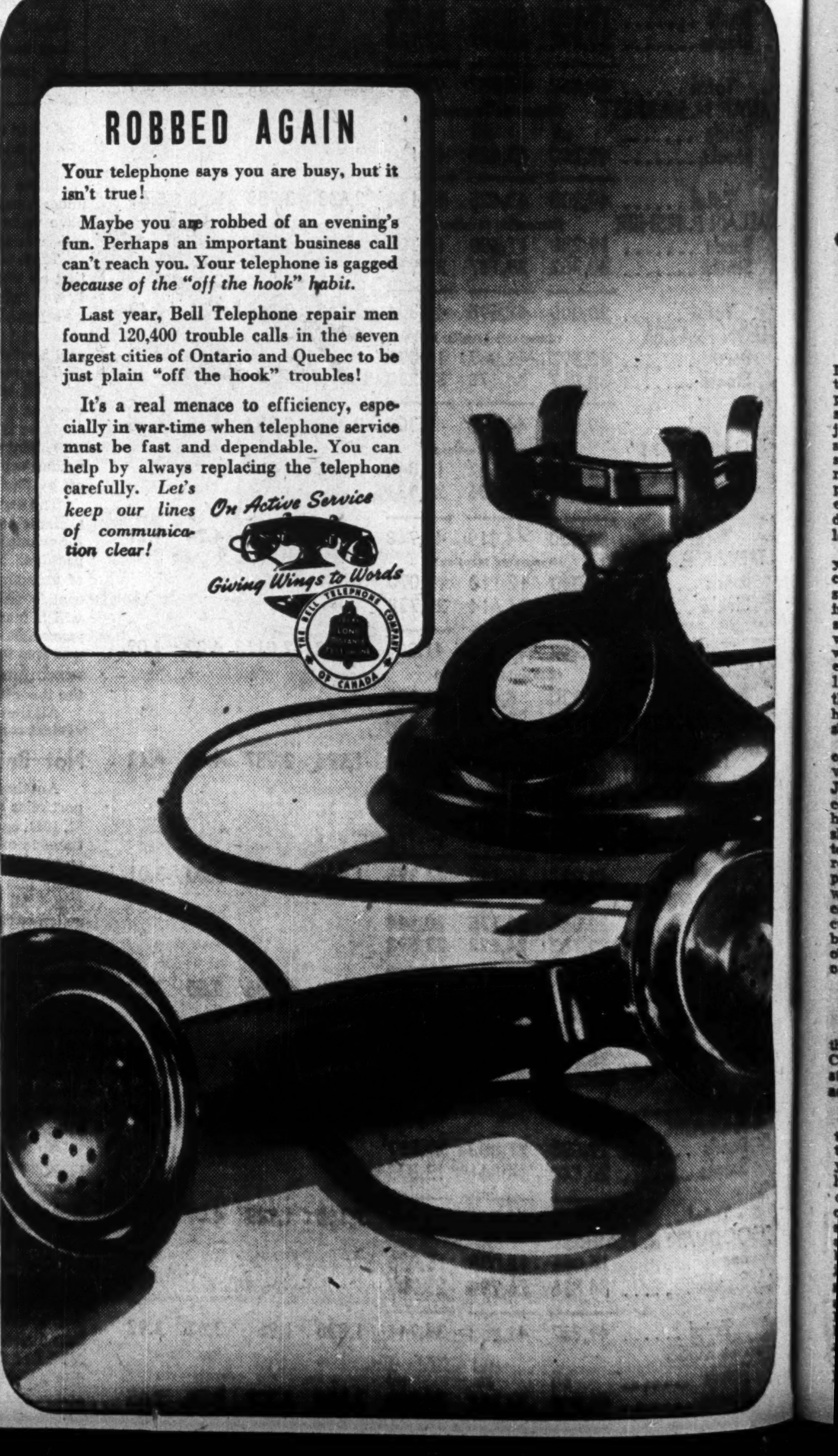
Still an important question with the company's shareholders is when dividends might be initiated on the outstanding 468,904 common shares. Earnings in 1940 were equivalent to $1.15 a common share as compared with 17 cents in 1939 and 14 cents in 1938. As at Dec. 31, 1940, working capital amounted to $474,442 while earned surplus stood at $727,569. On the dividend question no official comment is available.

Can. Wirebound Adding Capacity

Heavier Sales Reported For All Divisions of Box Maker

To meet the continuing trend upward in demand for its products Canadian Wirebound Boxes Ltd. is adding a second story to its corrugated board plant in Toronto. This means an addition of some 40,000 square feet of floor space and makes room for considerable equipment now on order and expected to be installed early in January. The new production equipment will allow an expansion in corrugated board capacity of some 50% over the normal rate for this division. The current level of operation is, of course, well above the normal rate. Canadian Wirebound recently completed a rearrangement of production facilities in the wirebound box division which is allowing a more efficient production schedule.

Sales of the company are currently largely governed by plant capacity with business volume understood to be well ahead of the same time a year ago. The accelerated demand has been felt throughout all divisions of the organization. Little change has taken place in the price structure of Canadian Wirebound's products recently and company sources do not believe, for the present at least, that the new Federal price ceiling order will have much influence on their business.



Government By Orders in Council

Some 20,000 of Them Passed Since War's Outbreak

To an extent never dreamed of a few years ago, Canada is being governed by orders-in-council, issued from that storied chamber overlooking the Rideau where meet the cabinet ministers. How does this machinery work? When are these orders law? How many men see them before they are officially announced? These and other questions are answered by The Financial Post's resident Ottawa correspondent.

By KENNETH R. WILSON
Staff Writer, The Financial Post

Canada's 19th Parliament is now meeting to wind up an adjourned second session.

There is some debate, argument, probing and reports. There is much of customary routine and procedure.

But behind the parliamentary facade there is this essential wartime fact: that the legislators, by consent and of necessity, have delegated to their executive branch the chief legislative responsibility for Canada's war effort.

Wartime government is by order-in-council. It is the deliberations of the cabinet ministers who sit around the storied chamber overlooking the Rideau Canal in the parliamentary East Block, which determine the nature and extent of our war effort.

For of the momentous events which shape men's lives, war is the most urgent, the most imperious.

We lose the war unless democracy can match and overtake the ruthless tempo of totalitarian organization and conquest.

Admittedly democratic machinery, in its legislative processes especially, is slothful, easy-going. The month-long discussions at Washington on neutrality, on lease-lend, etc., illustrates this in an exaggerated degree.

In wartime, the alternative is clear, traditional.

Parliament loses none of its essential, fundamental rights. What it does is delegate to its executive branch (the cabinet) the responsibilities which it normally exercises.

Thus from the Council Chamber there pours out day after day a never-ending stream of orders. Half of them are for war supply—authorizations by the governor-in-council for the purchase of guns, or ships, or toothbrushes.

20,000 Orders Since War

Of approximately 20,000 orders-in-council which have been passed since September, 1939, more than half are to confirm and approve the billions of expenditure needed to pay for munitions and supplies essential to the war need.

The rest are as catholic in their range and scope as the day-to-day activities of a nation at war. They vary from the naturalization papers of a humble ciziten to the all-embracing wage and price control orders which have just been proclaimed.

And even the Cabinet Council itself has found it necessary to delegate much of the wartime responsibility to a smaller body. That body is the War Committee of Cabinet. It holds one regular meeting each week, or oftener if the prime minister wishes. So far, it has averaged about seven meetings a month—somewhat more than the corresponding body in Australia and less than the war cabinet of the U. K., where no larger cabinet now sits.

Nine ministers and two officials comprise the war committee. The prime minister, Senator Dandurand (he attends seldom because of his age, 80 years old this week); Hon. T. A. Crerar and Hon. Ernest Lapointe, as the two senior members of the cabinet; the three defense ministers, Mr. Ralston, Mr. Power and Mr. MacDonald; the minister of finance, Mr. Ilsley; and the minister of munitions and supply, Mr. Howe.

Permanent officials who also attend are Norman Robertson, recently named under-secretary of state for external affairs, and Arnold Heeney. Mr. Heeney is secretary to the committee, as well as clerk of the Privy Council and secretary to the cabinet.

Hon. James Gardiner was formerly a member of the war committee when he was minister of national war services. Mr. Thorson, present head of that department, is not a member.

Major Responsibility

On the shoulders of this war committee is falling increasingly the major responsibility for the conduct of the war. Unlike the cabinet, full minutes are taken of the committee's deliberations. Before it, come regularly the chiefs of staff of the three services to present their "appreciations" and discuss military, naval and air training and defense plans. From time to time, other ministers and departmental heads are summoned to explain and discuss matters of national policy affecting conduct of the war.

Before this committee come major questions of fiscal and economic policy—the wage and price control proposals as well as matters of military significance.

Normal procedure is that a new development will first be thrashed out within the department which originates it.

Suppose, for example, an enlargement of the air training scheme is contemplated. After a full discussion in the department of the national defense for air, Hon. C. G. Power as minister of that department, would notify Secretary Heeney that he wished to place the proposal before the war committee.

Numbered by Calendar

The subject will be put on the agenda and a summary sent to each minister. If the war committee approves or amends the proposal it will be returned to the minister who must see that the necessary submission is prepared for formal approval by the full cabinet. The order will later be signed by the governor-general and become law. (Lord Athlone, by the way, is said to be fussy that orders-in-council are not shouted on the housetops until they are law.)

Orders-in-council are numbered by calendar years.

Thus the first submission made to Council in 1941 is registered as No. 1 by H. W. Lothrop, assistant clerk of the Privy Council. Mr. Lothrop drafts an order based on this submission and subsequently submits it to council.

Not all submissions are passed, nor are they all put through in chronological order. Thus a submission which is delayed in council for one reason or another may be published long after others bearing a later number.

Number of orders registered in 1940 passed the 8,000 mark. This year council is well past the 8,000 mark already. The new wage and cost-of-living bonus order which puts a ceiling on all wages is P.C. 8253. It replaces one of the last of the 1940 orders, the famous P.C. 7440. The prices order is numbered P.C. 8527.

More than half the orders are for war contracts.

Under the War Measures Act, Hon. C. D. Howe has power to negotiate contracts subject to the governor-in-council. But all contracts over $15,000 must have executive approval.

To relieve council of the tedious job of poring over hundreds of such contracts let each week, a special business committee of the cabinet has been set up. Hon. Ian Mackenzie acts as chairman of this committee which is composed of other members of the cabinet than the war committee, and meets prior to the full cabinet session.

No Set Rule

To this committee come not only war contracts but all routine submissions which must have executive approval. If they consider the submissions in order, they recommend approval. At the same time all other members of cabinet receive a complete list of these submissions so they can know what has been recommended by the business committee to be passed by council.

Specially important contracts or those which are questioned by any member of the committee are considered by the full cabinet.

There is no set rule as to what orders-in-council shall be published.

By law, certain orders must be printed in the Canada Gazette. As well, a staff member of the auditor general's department (Miss Kearns) holds the post of registrar of orders-in-council. She mimeographs the most important orders-in-council and sends them to a wide mailing list. Otherwise, the minister under whose department special orders originate, is responsible for seeing that copies are made available—often as a special issue of the Canada Gazette.

Twice a year, Arnold Heeney, as clerk of the Privy Council, causes the most important orders relating to the war to be printed in book form by the King's Printer. This excludes war contracts which for some time now have been publicized in the form of a weekly press release from the department of munitions and supply. This release lists (in theory) all contracts over $15,000. For defense reasons, it lumps vital ordnance or other commitments—sometimes to the tune of $70 to $100 millions at a time—thus making the publication of thousands of other innocuous items of doubtful value.

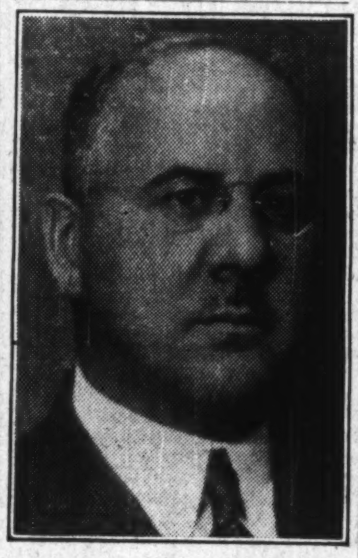
To Collect Orders

Orders-in-council are also tabled in the House of Commons for the inspection of interested members.

Plans are now under discussion for bringing together in some more accessible form, not only the orders-in-council but the orders of various control boards and administrators, many of which are of greatest significance.

For example, the recently issued council order on price control is to be followed by detailed orders of the board itself—many of which will be of the utmost importance. Similar orders are being made every day by individual controllers in the department of munitions and supply and by other equally potent war bodies.

In the United States, a comparatively new office—the Federal Registry—has been created which is a central bureau through which all bodies with delegated executive powers must register their orders. Most of these orders do not become law until so registered. As well as being a central registry bureau, this office publishes a weekly report summarizing and cataloguing all orders authorized in the period.



ON B. C. POWER BOARD

Morris W. Wilson, chairman of the British Supply Council in North America and president of the Royal Bank of Canada, who has been elected a director of B. C. Power Corp., succeeding the late Sir Herbert Holt.

Wellington Building Pays 6 Mos. Interest

Payment of six months' interest to July 5, 1936, plus interest on this amount from that date to Nov 15, this year, is being made on and after Nov. 15, on the 6½% bonds of Wellington Building Corp. by the London & Western Trusts Co. Holders of bonds should present their securities to the trust company to have interest payments endorsed thereon.

All bonds of this issue have matured, final maturity date of any coupon having been July 5, 1935. This makes it necessary to have interest payments endorsed on the bonds themselves, the London & Western Trust Co. states.

Your Investments

What We Do:

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3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Pressed Metals

Will you favor me with your opinion on Pressed Metals. Can it continue to pay its present dividend, and how is it affected by the war?

We are told by directors of Pressed Metals of America that the current dividend is reasonably sure. It looks now as though earnings in 1941 will be perhaps equal to or a little better than last year's level of $1.46 a share on the common. This would leave a fair margin over the $1 annual dividend being paid. Sales this year have been well up over last year and the company has had a problem in turning out enough materials rather than one of securing volume. So far it has not been affected by the programme to cut down on automotive production in the United States, but this is a possibility if the programme goes further. In that event it is understood that the company's plant is sure that it could be switched to make small parts for defense equipment and that it should not suffer any particular loss in volume.

Can. General Investments

Would you be kind enough to furnish me with some information on the position and investment standing of Canadian General Investments Ltd.

Canadian General Investments Ltd. is Canada's largest investment trust. Over recent years the company has been able to build up a stable earning power which has justified payment of 50 cents a share in annual dividends. At the same time the company has carried through a programme of improving its portfolio which meaus eliminating certain inactive and less desirable securities which were a legacy from its early years.

For the first six months of this year the company reported 34.2 cents a share earned on its common stock, as compared with 36.7 cents in the same period of 1940. On a per share basis net liquidating value was $11.86 at June 30, this year, which compares with $12.63 at the end of 1940, and $10.59 at June 30, 1940. You will understand, of course, that the value of the company's holdings varied in direct relationship to stock market changes.

The net liquidating value was considerably above the market value on the shares at the first of July which showed $7 a share. Recently the company has notified holders of its outstanding bearer shares warrants that it has decided to discontinue warrants and to issue registered shares certificates in their place. If you hold the bearer share warrants you should forward your certificates to Canadian General Securities Ltd., Toronto, accompanied by the proper forms which can be obtained either through your bank, or directly from the company.

Canadian Locomotive

Would you kindly outline for me the position and background of Canadian Locomotive Co. I understand they are currently extremely active.

The war has substantially altered the position of Canadian Locomotive Co. for the better. In May this year the company reported that it had the largest volume of business on hand in its history, totalling over $5 millions. This included a substantial order for locomotives and an unknown volume of war business. In an effort to diversify its production during the depression years, this company built up a business in mining and miscellaneous machinery and equipment but was apparently unable to achieve a profitable business until 1938 when substantial deliveries of locomotives were made. First interest payment on the 6% first mortgage income bonds was made July 1, 1939, from 1938 earnings. Another payment of 6% was made July 1, 1940 and 9% paid July 2, 1941. This payment reduced arrears at the end of 1940 from 30% to 21%, or $313,440. It is quite probable that during the period of the war-inspired speed-up in Canadian industry at least, this company will be able to make further payments and perhaps reduce arrears. Its postwar outlook is not so clear. Main dependence is still on the railways for business, a line of production subject to extreme fluctuation.

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MERCURY FOR 1942
The last word in Beauty, Roominess, Economy

YOU'LL be wise to think about value and long life when you invest in this year's car. You'll be wise to look at the big Mercury masterpiece for 1942. First glance will tell you it's a longer, lower-slung, massively styled Mercury. A careful examination will prove it is precision engineered to deliver smooth, satisfying, economical motoring year after year. This fine new Mercury presents quality in every detail of design and performance—quality which is your best assurance of long-term economy.

Mercury has always been noted for the instant alertness of its efficient engine. And though its big power plant sweeps you away so swiftly, it fully lives up to Mercury's reputation for dependable, low-cost operation.
Now see how Mercury engineers have again revolutionized riding ease. They've dropped the centre of gravity, widened the wheel tread, devised new ride stabilizers. So the 1942 Mercury steers and rides like no car you've ever known before. Prove it! See a Ford-Mercury dealer now.

THE MEDIUM-PRICED CAR THAT IS MADE IN CANADA

A FEW HIGHLIGHTS OF THE 1942 MERCURY 8

New Massive Styling
Newly styled fenders blend gracefully into the long, low, racy body lines.

A New "Sky Ride"
New, slower-motion springs further increased in length and husky shock absorbers give a surprising ride improvement.

Longer, lower—wider tread
4 full inches added to over-all length. Height reduced one-and-a-half inches, with no sacrifice in head room. Wider treads—front by 2.25", rear by 1.25"—for road-hugging stability.

Silent Action
A new rubber cradle-mount for Mercury's smooth power plant. Rubber bushings for spring shackles. New soundproofing throughout to hush road and motor sounds.

Easier Steering
New ball-bearing steering mechanism. A new Track Bar helps keep Mercury "dead centre"—assures "straight line" steering. Improved Torsion Bar counteracts sideway or body roll.

Rich, new, two-tone interiors
Attractive, leather-and-cloth combinations and distinctive plastics.

Easier Shifting
Shifting leverage has been increased to give effortless shifting.

All-round protection
New, self-centering hydraulic brakes, with 15 per cent less brake pedal pressure. New heavy bumpers with bumper guards and built-in gravel deflectors front and rear. New rubber stone-guards protect rear fenders.

★ ★ ★ ★

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The plan works like this: you choose any policy, but instead of giving the first year's premium in cash, you pay for just one month. At age 30, for example, on a $5,000, Double Protection Life policy you would pay just $6.15. As a service to you, the Company will accept your post-dated checks, one for each month of the year.

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Life Insurance

New Training Plan For Life Underwriters

Planned to Fill Gap Between Preliminary Training Given by Companies and That of Chartered Life Underwriters' Course

Under a plan favored by the Association of Life Agency Officers at its annual meeting in Toronto last week, increased educational facilities will be available for life insurance underwriters.

This new plan is designed to fill a gap which, it was felt, exists at present between the elementary training given by companies individually and the work leading to the degree of Chartered Life Underwriter.

In addition to filling this gap, the new programme will provide training for those who do not plan to study for the degree. The plan in its initial form, recommended by Chester O. Fischer, chairman of the association's committee on training, was adopted by the association. It will be institutional in its nature and administration.

With life insurance playing an ever-increasing role in the economic life of the people, and the public owning more life insurance than ever before, there has been a continued demand for improvement in the service given by underwriters. The new plan brings to a head the matter of increased educational facilities for the field force.

Costly for Companies

In many instances it is understood, companies felt a training programme of the kind suggested was too costly for them to undertake individually and was subject to many limitations. Beyond the expense in preparing text material and printing textbooks there are instructional difficulties resulting from the scarcity of competent teachers, the expense of engaging those who are available and the high per capita cost of training small groups of agents. While some of these problems apply to the large companies they have been considered almost insurmountable for many of the smaller ones.

The new plan the agency officers believe will afford the advantage that the individual company, large or small, will benefit as the institution benefits. Cost of texts will be spread among all co-operating companies and extensive duplication of material and effort will be avoided.

A definite object of the programme will be to make competent and adequately compensated instructors available to the representatives of all companies co-operating in the activity. It is understood it will take considerable time to build a a staff of suitable instructors.

Standard texts will be prepared and classroom instruction, it is expected, will be a practical possibility for the majority of agents, including many whose locations have heretofore deprived them of this advantage. Correspondence courses, it is believed, will ultimately become available for those whose locations prevent them attending classes.

Directed institutionally, there will be uniformity of academic standards for conducting examinations. Diplomas will be awarded as evidence of qualification to serve the public. While the main purpose of the proposed course is to afford an opportunity for advancing the underwriting education of all representatives, it will also provide an excellent background for those who are qualified to take the C.L.U. study programme.

The plan calls for the establishment of a central office of administration with a director in charge. It was recommended that the central office of administration should be at Hartford to afford convenient contact with the Life Insurance Sales Research Bureau and the Association of Life Agency Officers.

N. Y. Motorist Must be Insured

Approach of Jan. 1 when New York State's safety responsibility law becomes effective is expected to see a big rush to buy automobile insurance in that state. The new law has attracted much interest in Canada and elsewhere and there is much curiosity to see how it will work.

Under the new law the owner of any motor vehicle except a tractor used exclusively for agricultural purposes, must, after an accident involving personal injury or damage to property amounting to $25 show he is insured up to the standard limits of $5,000 for damages to any one person and $10,000 for any one accident, before he will be authorized to drive again. If insurance is not acquired the car-owner must give equivalent security of another type such as high-grade bonds. Motorcycles and trailers are included in the ruling.

Can't Sell Car

If the owner of a motor vehicle fails to satisfy a claim for damages sustained by the courts, he not only is debarred from operating his vehicle, but cannot dispose of it until the claim is satisfied.

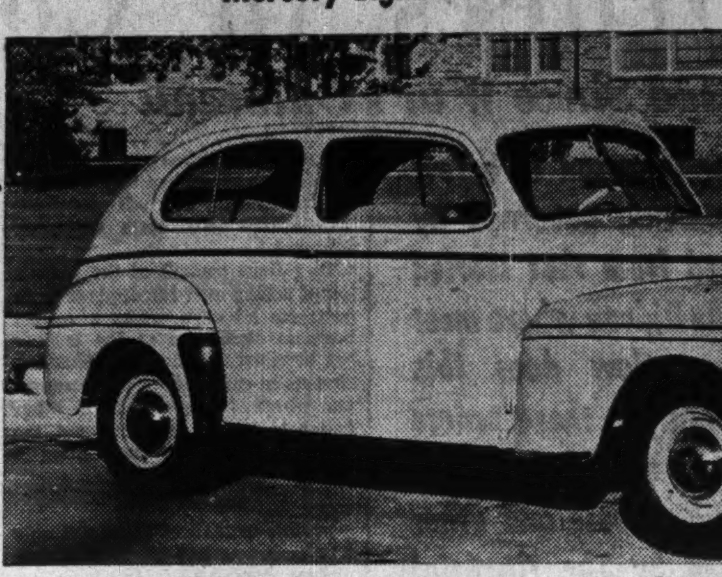
J. P. Collins, chief of the rating bureau of the state department of insurance, estimates the number of insured automobiles in New York State will be increased by at least 25%.

To make sure every motorist in the state knows about the law, the state government is running big advertisements on billboards along the highway urging motorists to study the new law. Official folders explaining the law are available at service stations in the state.

W. S. Penny Chairman Bureau Executive Com.

W. S. Penny, director of agencies of the Sun Life Assurance Co. of Montreal, has been elected chairman of the executive committee of the Life Insurance Sales Research Bureau. He was chairman of the board last year. Mr. Penny, after graduating from McGill University, joined the Sun Life in the actuarial department and then transferred to the Toronto branch, from where he went into the sales field.

Mercury Eight Has New Features for 1942



Longer, lower body lines are stressed in the restyled Mercury Eight for 1942, built in Canada by Ford Motor Co. of Canada Ltd. Upholding Mercury's standards of beauty, this year's models incorporate easier steering and gear changing, while gasoline economy is featured.

Ocean War Risk Rates Drop

Spread Between U. S. and Allied Shipping Narrows

A reduction of 25% in marine war risk insurance rates for voyages between the United Kingdom and the Americas announced by the Institute of London Underwriters, is attributed mainly to favorable developments in the Battle of the Atlantic. It does not affect rates quoted by the British Government.

The reduction in rates between the United Kingdom and the Americas is approximately from 10% to 7½%, that between Eire and the Americas from 20% to 15%.

Meanwhile, owing to attacks on United States shipping, the spread between rates quoted on cargoes in U. S. ships and those in allied or other neutral vessels has tended to narrow.

Previous rating schedules had been worked out under three main headings. The highest rate was on cargoes in ships of British or Allied registry. The next was on ships of neutral countries other than the United States, which in some instances was the same as that on ships of the allied countries. The third and lowest rate was on cargoes carried in ships flying the United States flag.

No Respecter of Flags

The general belief was that Axis warships would be less willing to attack United States vessels than those of other neutral countries. Now this theory is no longer accepted. The Axis submarines are no respecters of persons or flags. Accordingly the tendency has been for war risk insurance rates on shipments by United States vessels to draw closer to those on ships of allied countries and "other" neutrals.

There has not been a great deal of change on rates on shipping in the Pacific. In fact, rates on shipments to the Far East as long as they are east of India have shown an easier trend. Japan is not yet regarded as an important factor. Owing to sudden changes in the war situation, however, rates of all kinds are subject to change on short notice.

War risk insurance, it is pointed out, is distinct from ordinary marine insurance which is insurance against the perils of the sea. These perils in many cases may be greatly increased by wartime conditions but the risk is still a marine risk.

Accordingly, while cargoes as well as ships have to face greatly increased hazards due to wartime conditions, many of them are not covered by war risk insurance as such.

While war risk insurance covers not only enemy action and counter action against the enemy, but also loss due to actual warlike operations, underwriters state "the casual relation must be immediate and distinct, not remote or consequential."

Accordingly most of the hazards involved in proceeding in convoys, which are likely to be crowded particularly in leaving and entering ports, navigating without lights, the extinguishing of lights in lighthouses, the removal of aids to navigation, loading and discharging in blacked-out ports, changes from customary routes and the use of ports not normally used, most frequently would fall on the marine underwriters. For this reason the Wartime Marine Surcharge is charged for voyages most severely affected and additional charges are made for voyages longer than are customary in peacetime. An example of this would be the voyage to Egypt which is no longer made by the Mediterranean but by the Cape of Good Hope.

Difficulties arose during the last war and have arisen during the present one as to whether certain claims fell under marine or war risk insurance, but in practice vessel or cargo owners are not likely to suffer serious delays because such questions are raised. Where marine and war risk insurance are placed separately, one or the other set of underwriters is likely to advance the amount of the claim, or each may pay say 50% of it, leaving the final settlement to be arranged as between themselves when an ultimate decision is arrived at either by legal process or otherwise.

The British Government is still quoting war risk insurance rates on shipments from Canada and the United States to Great Britain which are about 25% of the former company rates. The reason is the British Government wants to keep the stuff moving. The rates it charges are not designed to show a profit but may often result in a loss.

"BETTER BUSINESS"

George S. Piers, Ottawa, who succeeds Sydney Dion as manager of the Ottawa Better Business Bureau. Mr. Piers was for 14 years a member of the advertising department of the Ottawa Citizen. Mr. Dion leaves to take a position with the shipbuilding branch, Department of Munitions and Supply.

New Era is Seen In Field Work

Laird Urges Use of Proved Aids in Selection of Agents

The job of agency officials at the head office of life insurance firms today is to develop general agents and managers to work along precise and predetermined lines in every phase of their work, W. C. Laird, superintendent of agencies of the London Life Insurance Co., told the Association of Life Agency Officers and the Life Insurance Sales Research Bureau in Toronto last week.

He stated that from the remarks of preceding speakers, it was to be concluded a new era in agency movement had begun. "An era which will see the old 'Laissez Faire' system replaced by one in which the head office agency department, the general agent, or the agent will each be required to carry their share of responsibility."

Head office officials, he felt, should provide general agents and managers with proved aids to judgment in selecting new men. He included in such aids rating charts and aptitude indices. General agents and managers he thought should also be provided with organized presentations showing the advantages of life underwriting as a career. These were necessary if managers were to bring into the business the type of men who would sell lasting business of good quality, he stated.

Insurance Notes

T. Milton Taylor, central Ontario manager for the Great West Life Assurance Co., has retired. Formerly in charge of the province of Ontario branch, Mr. Taylor joined the Great West Life in 1912. He was born at New Richmond, Que., and held important posts with the Great West at Ottawa, Detroit and Chicago, as well as at Toronto.

• • •

The Northern Life Assurance Co. is offering prizes of sterling silver flatware for a sales contest in November. Winners will be able to choose from seven patterns by the International Silver Co. To the leader for the month will go an engraved sterling silver cigarette box. For single men and married men who have a complete set of silver flatware, other prizes such as cufflinks, penknives, etc., are offered.

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New Books . . . .

Planning the Future

ECONOMIC CONSEQUENCES OF THE SECOND WORLD WAR. By Lewis L. Lorwin. Published by the Macmillan Co. of Canada, Toronto. Price $4.

Because he is dealing with broad basic designs, Lewis L. Lorwin's "Economic Consequences of the Second World War" is not as premature a judgment as one might think.

Wars and revolutions, Mr. Lorwin believes, do not divert the flow of the forces which control our destinies. In the main they usually remove obsolete and dying institutions which have held new and dynamic forces in check. The Russian Revolution, he points out, did not terminate the growing industrialization of Russia which had helped to destroy and at the same time been thwarted by the old Czarist institutions and laws.

On these grounds, Mr. Lorwin is able to relegate the question of military victory over the Axis to second place in molding the shape of things to come. A Nazi victory would result in years of suffering but ultimately even a victorious Nazism would have to adjust to the driving impulses which are shaping the world's destiny.

Not that the consequences of Nazi victory are lightly regarded by Mr. Lorwin. He is at pains to emphasize that no war in recent history, with the possible exception of the U. S. Civil War, has involved such vital influences on the course of human welfare. "It has become a fight not for settling past accounts, but to make sure who shall own and build the future. It is now a bitter and bloody contest for leadership in organizing the productive and cultural energies of mankind either for a new forward development on behalf of humanity or for increasing exploitation in the interests of small racial and social groups."

The outcome of the war will determine the ends to which the world's economic machinery will be put, but Mr. Lorwin believes that the type of machinery we will have has already been determined by the developments of the last ten years or so. Basically, the most important of these trends have been similar in all the advanced countries of the world.

What those trends have been is familiar to every businessman. Growing government control over business, restrictions on freedom of economic action, distrust of the profits system, of competition in business—all speeded up to the tempo of economic dictatorship by the war.

Consultant for the National Resources Planning Board at Washington, Lewis L. Lorwin sounds well fitted to outline the growth of government control over business. What he sees ahead is a continuation of government intervention together with further rises in living standards and further industrialization of "backward" areas. With very little questioning, Mr. Lorwin accepts the creed that "government economics" is the only likely method of attaining these ends.

It is in these concluding chapters that Mr. Lorwin will get into the greatest number of arguments with his business readers. Is this growth of government in business a long-run trend, desirable for itself, or is it a temporary development, brought about by the emergency conditions of depression and war? Is government economics really more effective a means of harnessing productive power than free competitive trade? Is the trend curve of government intervention still slanting upward or has it reached full flower, soon to crash or at least experience a major reaction?

Perhaps the most important criticism of Mr. Lorwin's treatise is that he does not raise and deal with these points himself. The important trends which he believes will survive the war and shape the future are those which he has watched develop since 1929. It may be that for such a flight into the future a longer runway woud have been advisable.

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Banking

Third Successive Drop In Current Loans

Attributed Largely to Repayment of Money Borrowed to Buy War Bonds in June—Savings Deposits Rise Again

A drop in current loans in Canada, further expansion in savings deposits and a slight rise in call loans in Canada are features of the return of the chartered banks to the Minister of Finance as at Sept. 30.

The decline in loans is the third successive one since the flotation of the third war loan in June. In that month when the loan was being sold, current loans increased $159 millions. This represented, to a considerable extent, money borrowed by investors in the war loan who wanted longer terms than the installment terms offered by the government. These borrowers included private individuals as well as corporations such as insurance companies. Both these classes of investors, in anticipation of substantial revenues in the later months of the year, borrowed money to buy bonds. As these revenues are received, the bank loans, as is usual, are paid off. This, it is believed, is the main reason current loans fell $13 millions in July, and $22 millions in August. The September reduction of $10.7 millions brings the total down over $46 millions from the June total.

Ordinary Commercial Loans

The decline would possibly have been greater had it not been that expansion in some instances in ordinary commercial loans offset partially the decline in investors' borrowings.

Wheat loans have continued in good volume throughout the summer months. Normally there is a marked expansion in wheat loans in September. This year, because the elevators have been practically filled all season and loans have been maintained at a high level, there is not the expansion usually seen.

Had this occurred, with the seasonal expansion in ordinary commercial loans, the decline in investors loans would probably be more than offset.

Savings Deposits

Indirect results of the June war loan were also seen in savings deposits which increased almost $33 millions. Savings deposits dropped $228 millions in June, but showed a recovery of $21.8 millions in July and $33 millions in August. The recovery in the three months for which figures are available therefore is $87.8 millions or 38% of the total decline. Savings deposits, however, are still almost $100 millions under those of a year ago.

Demand deposits increased during the month by $84 millions and at Sept. 30 were $106 millions higher than a year ago, reflecting business expansion.

Dominion government deposits dropped $107 millions, evidently the result of war expenditures. They are still $240 millions larger than last year. Provincial government deposits were lower both for the month and for the year.

Call Loans

Call loans in Canada were slightly above the previous month, reflecting improved activity in the stock markets. They were still slightly under those of a year ago.

Investments of the banks showed a total decline of $2.3 millions from the preceding month but were $132 millions higher than in the previous year.

Call loans in Canada were slightly above the previous month reflecting improved activity in the stock markets. They were still slightly under those of a year ago.

The cash position of the banks continued strong, being almost $9 millions higher than at the end of August though $10 millions lower than on Sept. 30 last year.

Use of Bank Credits in Canada
(In Millions of Dollars)

	September 1941	August 1941	Change	September 1940	Change
Loans	1,273.5	1,290.2	—16.7	1,139.0	+134.5
Investments	1,695.7	1,698.2	—2.5	1,563.4	+132.3
Total	2,969.2	2,988.4	—19.2	2,702.4	+266.8
Deposits	2,665.5	2,548.2	+117.3	2,658.9	+6.6
Credit index*	44.2%	46.6%	—2.4%	38.4%	+5.8%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	September 1941 $	August 1941 $	Change $	September 1940 $	Change $
Immediately Available Liquid Assets					
Canadian coin	6,568,160	5,680,161	+887,999	5,654,297	+913,863
Bk. of Can. notes	94,056,632	80,871,310	+13,185,322	81,793,929	+12,262,703
Bk. of Can. depos.	207,461,132	212,643,020	—5,181,888	231,339,038	—23,877,906
Bank's cash	308,085,924	299,194,491	+8,891,433	318,787,264	—10,701,340*
Other bank's notes	3,256,567	3,118,115	+138,452	4,877,515	—1,620,948
Gold & sub coin abd.	3,089,578	3,028,704	+60,874	4,083,538	—993,960
Foreign banks	200,123,650	189,738,776	+10,384,874	177,087,050	+23,036,600
Foreign curr.	33,905,180	33,599,646	+305,534	30,009,585	+3,895,595
Gov. sec. short term	831,754,268	839,367,031	—7,612,763	707,634,477	+124,119,791
Do., long term	623,144,319	611,337,566	+11,806,753	600,914,681	+22,229,638
Call loans abroad	47,376,058	50,303,882	—2,927,824	50,908,928	—3,532,870
	2,050,735,544	2,029,688,211	+21,047,333	1,894,303,038	+156,432,506
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	84,599,584	87,808,642	—3,209,058	88,812,030	—4,212,446
Public secs.‡	65,696,328	67,703,204	—2,006,876	55,896,553	+9,799,775
Other secs.	90,539,854	92,059,284	—1,519,430	110,197,055	—19,657,201
Can. call loans	36,313,422	34,815,526	+1,497,896	37,183,091	—869,669
Current loans	1,143,203,420	1,153,996,270	—10,792,850	983,041,761	+160,161,659
Loans abroad	132,153,688	133,260,424	—1,106,736	127,869,111	+4,284,577
Prov. loans	10,691,446	13,815,037	—3,123,591	14,612,581	—3,921,135
Mun. loans	83,325,030	87,606,845	—4,281,815	104,209,058	—20,884,028
	1,646,522,772	1,671,065,232	—24,542,460	1,521,821,240	+124,701,532
Other Assets					
Non-current loans	5,285,361	5,389,449	—104,068	7,715,997	—2,430,636
Real estate	6,690,739	7,703,399	—12,660	7,432,342	—741,603
Mortgages	3,550,775	3,545,329	+5,446	3,805,069	—254,294
Premises	70,337,167	70,522,413	—185,246	71,679,086	—1,341,919
Letters of credit	104,096,726	95,610,753	+8,485,973	65,253,692	+38,843,034
Loans to comp.	10,906,253	10,995,287	—89,034	10,839,904	+66,349
Other assets	2,138,864	1,894,706	+244,158	2,174,057	—35,193
	203,005,885	194,661,336	+8,344,549	168,900,147	+34,105,738
Total	3,900,264,201	3,895,414,779	+4,849,422	3,585,024,425	+315,239,776
Note circ. dep.	4,482,528	4,479,170	+3,358	4,823,341	—340,813
Int. bank bal.	148,684,147	130,661,587	+18,022,560	138,625,525	+10,058,622
Gross	4,053,430,876	4,030,555,536	+22,875,340	3,728,473,291	+324,957,585

LIABILITIES

	September 1941 $	August 1941 $	Change $	September 1940 $	Change $
To the Public					
Circulation	82,024,348	83,773,658	—1,749,310	92,558,303	—10,533,955
Dom. Govt.	316,501,831	424,161,423	—107,659,592	76,149,043	+240,352,788
Prov. Govt.	54,895,963	58,958,549	—4,062,586	64,786,264	—9,890,301
Deposits by Public					
Demand dep.	1,110,338,832	1,026,043,639	+84,295,193	1,003,895,110	+106,443,722
Savings dep.	1,555,152,222	1,522,186,431	+32,965,791	1,654,968,286	—99,816,064
Total	2,665,491,054	2,548,230,070	+117,260,984	2,658,863,396	+6,627,658
Foreign dep.	457,742,625	450,778,881	+6,963,744	403,331,994	+54,410,631
Due to Banks Abroad, Etc.					
United Kingdom	20,250,665	21,418,208	—1,167,543	24,359,072	—4,108,407
Foreign	30,027,540	28,855,962	+1,171,578	25,609,361	+4,418,179
Bills payable	....	4,389	—4,389	158,819	—158,819
Letters of credit	104,096,726	95,610,753	+8,485,973	65,253,692	+38,843,034
Other liabs.	5,765,819	5,829,441	—63,622	4,218,599	+1,547,220
Total pub. liabs.	3,736,796,571	3,717,621,334	+19,175,237	3,415,288,543	+321,508,028
Due bet. banks	12,661,360	10,575,527	+2,085,833	10,475,030	+2,186,330
Liability to Shareholders					
Dividends	1,493,071	2,297,622	—804,551	1,501,321	—8,250
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,030,201,002	4,009,744,483	+20,456,519	3,706,514,894	+323,686,108

‡Other than Canadian.

Dominion Board Elects C. S. Malcolm President

At the annual meeting of the Dominion Board of Insurance Underwriters at Montebello, Que., C. Stuart Malcolm was re-elected president, Kenneth Thom moved up from second vice-president to first vice-president, and E. J. Kay was elected second vice-president.

Officers for the coming year are:

C. STUART MALCOLM, manager for Canada, Royal Exchange Assurance, Montreal, president.

KENNETH THOM, general manager, Western Assurance, Toronto, 1st vice-president.

E. J. KAY, manager for Canada, North British & Mercantile, Montreal, 2nd vice-president.

Council

Elected for Three Years

WILLIAM LAWRIE, manager for Canada, Phoenix of London, Montreal.

C. L. MARSHALL, manager for Canada, Employers' Liability Assurance Corp., Montreal.

W. R. HOUGHTON, manager for Canada, London and Lancashire, Toronto.

J. B. ALEXANDER, general manager, Canadian Surety Co., Toronto.

P. A. CODERE, manager for Canada, St. Paul Fire & Marine, Winnipeg.

Elected for Two Years

WILLIAM QUAID, Home Insurance, New York.

Elected for One Year

ROBERT LYNCH STAILING, manager for Canada, Sun Insurance Office, Toronto.

W. E. BALDWIN, manager for Canada, Continental Insurance Co., Montreal.

Continuing Members

One Year to Run

B. W. BALLARD, manager for Canada, Hartford Insurance, Toronto.

J. V. OWEN, manager for Canada, Guardian Assurance Co., Montreal.

R. D. SAFFORD, Travelers Insurance, Hartford, Conn.

Two Years to Run

A. C. HALL, manager for Canada, Commercial Union, Montreal.

C. C. HANNAH, Firemen's Fund Insurance Co., San Francisco.

T. W. GREER, manager for Canada, Century Insurance Co., Vancouver.

Weekly Bank Clearings

	Nov. 6 1941 $	Change Year Ago %	Oct. 30 1941 $
Halifax	4,327,219	+1.0	3,517,248
Saint John	2,618,181	+8.7	2,599,725
Sherbrooke	1,206,787	+34.3	816,233
Quebec	6,846,377	+15.2	5,186,573
Montreal	161,584,994	+43.4	104,274,229
Ottawa	66,302,393	+32.5	38,972,562
Kingston	941,766	+4.5	696,506
Peterborough	821,900	+12.8	705,739
Toronto	175,981,381	+8.2	127,607,928
Hamilton	7,395,015	+11.8	7,850,476
Kitchener	1,458,581	+7.7	1,299,692
Brantford	1,228,575	+14.3	1,044,277
London	3,540,031	+8.9	2,390,502
Chatham	737,994	—0.2	567,805
Windsor	3,884,422	+3.0	3,745,854
Sarnia	578,162	+10.5	441,027
Sudbury	1,223,217	+14.1	1,241,170
St. Catharines	1,417,136	...	1,440,986
Moncton	1,066,057	+1.8	1,169,885
Fort William	1,299,743	+28.3	902,963
Winnipeg	58,644,447	+38.7	56,451,917
Brandon	641,443	+16.1	475,021
Regina	6,618,371	+16.0	6,012,483
Moose Jaw	1,055,869	+21.7	754,276
Saskatoon	2,118,178	+5.9	1,618,339
Prince Albert	644,714	+36.8	520,978
Prince Albert	644,714	+368	520,978
Edmonton	6,992,048	+35.4	5,277,354
Lethbridge	942,514	+53.6	839,899
Medicine Hat	529,584	+12.7	481,285
N. W'minster	1,033,207	+32.0	893,460
Vancouver	26,880,488	+29.0	21,399,300
Victoria	2,152,870	+6.0	1,868,822
Calgary	8,436,132	+18.7	8,181,748

More Sterling Held By Bank

British Exchange Assets of Bank of Canada Up — Deposits Rise

A further rise of over $20 millions in holdings of sterling and United States exchange is shown in the statement of the Bank of Canada for the week ended Nov. 5. This brings the total increase in this item since Oct. 8 to $40 millions. It represents sterling accepted by the bank in exchange for Canadian dollars made available to the British government for purchase of war supplies in Canada.

Bond holdings of the bank were up slightly, and miscellaneous assets almost $6 millions higher. Total assets were up $25 millions.

On the liability side, total deposits were up about $15 millions, the increases being in deposits with the Bank of Canada by the Dominion government, the chartered banks and miscellaneous deposits. Note circulation rose $8 millions.

	Nov. 5 1941 $	Oct. 29 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	454,251,112	446,121,633
Rest fund	3,722,910	3,722,910
Depos.: Dominion	49,621,861	44,644,632
Banks	233,056,041	229,102,027
Other	9,865,986	3,427,521
Total deposits	292,543,888	277,174,180
All other liabs.	9,685,241	8,329,380
Total liabs.	765,203,151	740,348,103
Assets		
In sterling and U. S.	55,861,494	35,845,079
Subsid coin	564,450	607,697
Advances	500,000	1,500,000
Investments:		
Dom. govt. short	454,115,928	453,240,106
Other Dom. govt.	234,026,199	234,605,599
Total invest.	688,142,127	687,845,705
Premises	1,820,454	1,821,458
All other assets	18,314,626	12,728,164
	765,203,151	740,348,103

Bank Chat

Diamond Jubilee

Sixty years active association with one financial institution is the record of Clarence A. Bogert, chairman of the board of the Dominion Bank. He completed his 60th year with the bank last week, on Nov. 4, and despite his 77 years, (He was born July 7, 1864), he still goes to his office every day.

C. A. BOGERT

Things are different now from when he first started as a junior at the age of 17. But the amazing memory for business details, the readiness to accept responsibility and the capacity for making friends he showed them have contributed greatly to his success down through the years.

He is an outstanding example of the fact that the road to the highest offices in the Canadian chartered banks is open to every junior. From the junior ranks of the bank's service, he successively served as assistant inspector, branch manager, general manager, vice-president and president. In 1934 he was elected chairman of the board. He is a past president of the Canadian Bankers Association.

Fond of sport he stroked the crew of the Dominion Bank that captured the Banking Four-Oared Crew Championship in June, 1892. He was also a hockey player of note in the bank league and as a cyclist rode around the lake to the Niagara Peninsula frequently. Before the bank's business made travelling essential he served as color-sergeant with the Queen's Own Rifles. He ranks high among Canadian golfers.

Though for some years he has taken life less strenuously, he continues to take a keen interest in the world in which he lives and the bank to which he has devoted his life.

• • •

War Banking Problems

War work in the United States is beginning to affect the banking business somewhat along the same lines as in Canada especially in regard to losses in personnel and increase in work.

So far staff losses in the United States due to the army draft are stated to be not nearly so serious as those due to transfers to other lines of business and industry. In this respect the situation differs from that in Canada where losses of male personnel have been mostly into the armed services. An article in Banking, the journal of the American Bankers Association, estimates the proportion of men leaving to serve in the armed forces of the United States compared with those leaving to take jobs in other lines of business as one to 10. In Canada the proportion is said to be much less.

Defense work in the United States, as in Canada, is offering a higher scale of pay than the banks feel they can afford. But the permanence a bank job in Canada offers seems to offset this attraction here. The Canadian banks are giving leave of absence to men leaving the service to join the armed forces.

United States bankers also are complaining of difficulty in getting office machines because they do not enjoy the blessings of priority.

Another difficulty complained of is that new loans on defense work, it is feared, may turn sour. This problem does not exist on this side of the line, because the government is financing most of the defense programme.

Staff Changes

The Bank of Toronto announces the following staff changes:

JAMES HARDING, formerly of head office inspection staff, to be manager, Bloor & Royal York Road (Kingsway), Toronto.

The Royal Bank of Canada announces the following staff changes:

P. H. FISHER, manager, Fergus, Ont., to be manager, Barrie, Ont.

G. F. JOHNSTON, manager, Barrie, Ont., to be manager, Coxwell & Gerrard, Toronto.

K. M. SEDGEWICK, supervisor's department, Halifax, to be manager, Truro, N.S.

H. L. McKEE, accountant, Stanley St., Montreal, to be accountant, St. John's, Nfld.

E. B. McDANIEL, manager, Truro, N.S., retires on pension.

Here is the latest poster in the striking series which is being distributed in Canadian plants which are making airplanes. This one is contributed by British Aeroplane Engines, Ltd.

Company Reports

American Cyanamid

While operating profit of American Cyanamid Co. climbed steeply in the nine months ended Sept. 30, higher charges and taxes held final nine months net down to $4,323,065 against $4,158,972 a year ago. Operating profit amounted to $18,445,552 compared with $11,233,515 in the first nine months of 1940. Preferred dividends absorbed $320,571 compared with $175,545 to leave available for the common stock $4,002,494 against $3,984,427 a year ago, or $1.52 a share for both periods.

Report shows outstanding at Sept. 30, 1941, 68,291 shares of 5% preferred stock as compared with 468,125 shares a year ago and 786,570 shares of 5% preference stock against none a year ago. This reflects substitution of non-convertible preference stock for the previous three issues of convertible preferred authorized by shareholders August 25, 1941.

Interim Consol. Profit and Loss Account
Nine Months Ended Sept. 30

	*1941 $	†1940 $
Operating profit	18,445,552	11,233,515
Add: Divds., int., etc.	530,853	434,842
Royalties, licenses	361,302	120,693
Other earnings	33,669	30,842
Net earnings	19,371,376	11,819,892
Less: Deprec. & deplet.	3,592,214	2,681,518
Research & develop.	2,267,437	1,828,277
Int. & amort. chgs.	304,160	345,125
Income taxes	7,984,500	2,055,000
Prov. for conting'cies	900,000	750,000
Net profit	4,323,065	4,159,972
Less: Pref. divds.	320,571	175,545
Net applic. to common	4,002,494	3,984,427
Earns. per common sh.	$1.52	$1.52
Shares outstand. with public:		
Common	‡2,618,364	‡2,618,364
Preferred	68,291	468,125
Preference	786,570	none

*Subject to year-end adjustments.
†After retroactive adjustments as reflected in audited statement for the year.
‡Plus 4/9 shares in each year.

Canadian Collieries

Net earnings of $33,882 available for the "A" and "B" debenture stock are reported by Canadian Collieries (Dunsmuir) Ltd. for the year ended June 30 as compared with $36,539 in the previous fiscal year. Earnings were sufficient to make a 2% payment on the "A" debenture stock and to reduce the amount of this stock outstanding to $784,682. Of the $216,393 operating profit over $100,000 came from exhaustion of coal pillars in the Northfield Mine during the last ten months before abandonment.

Operating conditions during the year were difficult with the decline in bunkering continuing as very few coal burning ships have come to the Pacific Coast for several months. As a result, sales were down about 98,000 tons from last year; off-shore bunker and export sales were down 119,000 tons and are currently nil. It is expected the current shortage of fuel oil will bring about an increased demand for coal within Canada which, to some extent, should replace the lost bunker tonnage.

Consol. Income and Surplus Account
Years Ended June 30

	1941 $	1940 $
Operating profit	216,393	231,327
Less: Depreciation	175,295	173,152
Management exp.	33,000	36,375
Pres. & dirs. fees	14,500	14,025
Legal fees	3,913	4,087
Inc. tax settlement	......	9,789
Net oper. loss	10,316	6,101
Add: Invest. interest	42,276	39,307
Subsidiary income	1,922	2,433
Net profit for year	33,882	35,639
Add: Previous surplus	35,639	37,267
Less: A deb. stk. int.	17,820	18,634
A deb. stk. redemp.	17,819	18,633
Surplus forward	33,882	35,639
Working Capital	$	$
Current assets	1,720,784	1,675,726
Current liabilities	176,858	227,419
Working capital	1,543,926	1,448,307

Royal Windsor

Gross revenues of Royal Windsor Apartments, operated under receivership by the London & Western Trusts Co., gained some $5,000 in 1940 over 1939, most of the increase being absorbed by higher operating expenses. Decorating, repairs and carpet replacements were major factors in raising expenses.

Application has been made to the Windsor Rental Control Board for permission to increase monthly rentals by a total of $270. No decision on this matter is yet available.

The London & Western Trusts Co. will, it is stated, apply for a court ruling to permit payment of the interest on the $340,750 6½% first mortgage bonds for the coupon due Nov. 25, 1930. This payment will involve the disbursement of approximately $20,000 in interest and accrued interest. In addition to the Nov. 25 coupon, the trust company is to apply for a ruling on payment of a small number of coupons due May 25, 1930, which remain outstanding.

Receipts and Disbursements
Years Ended Dec. 31

	1940 $	1939 $
Gross revenue	31,568	26,398
Less: Heat, Hydro & water	3,027	2,957
Cleaning, wages, etc.	5,579	5,791
Paint & decoration	2,417	1,629
Repairs	2,027	1,683
Furnishings & supp.	4,079	1,639
Legal	20	......
Advertising	35	149
Telephone	103	119
Taxes	4,225	3,970
Insurance	1,241	71
Sundries	157	111
Surplus*	8,658	8,279

*After adjusting insurance on an annual basis, but not providing for bond interest, depreciation, management or legal expense, net revenue for 1940 amounted to $9,400, an increase of $1,519 over 1939.

Open Two Branch Banks Three Are Closed

The Bank Directory of Canada for October just issued shows one chartered bank branch opened and one closed, during September.

The branch opened was the Royal at Santurce, Porto Rico, the branch closed, the Imperial, at Richards Landing, Ont.

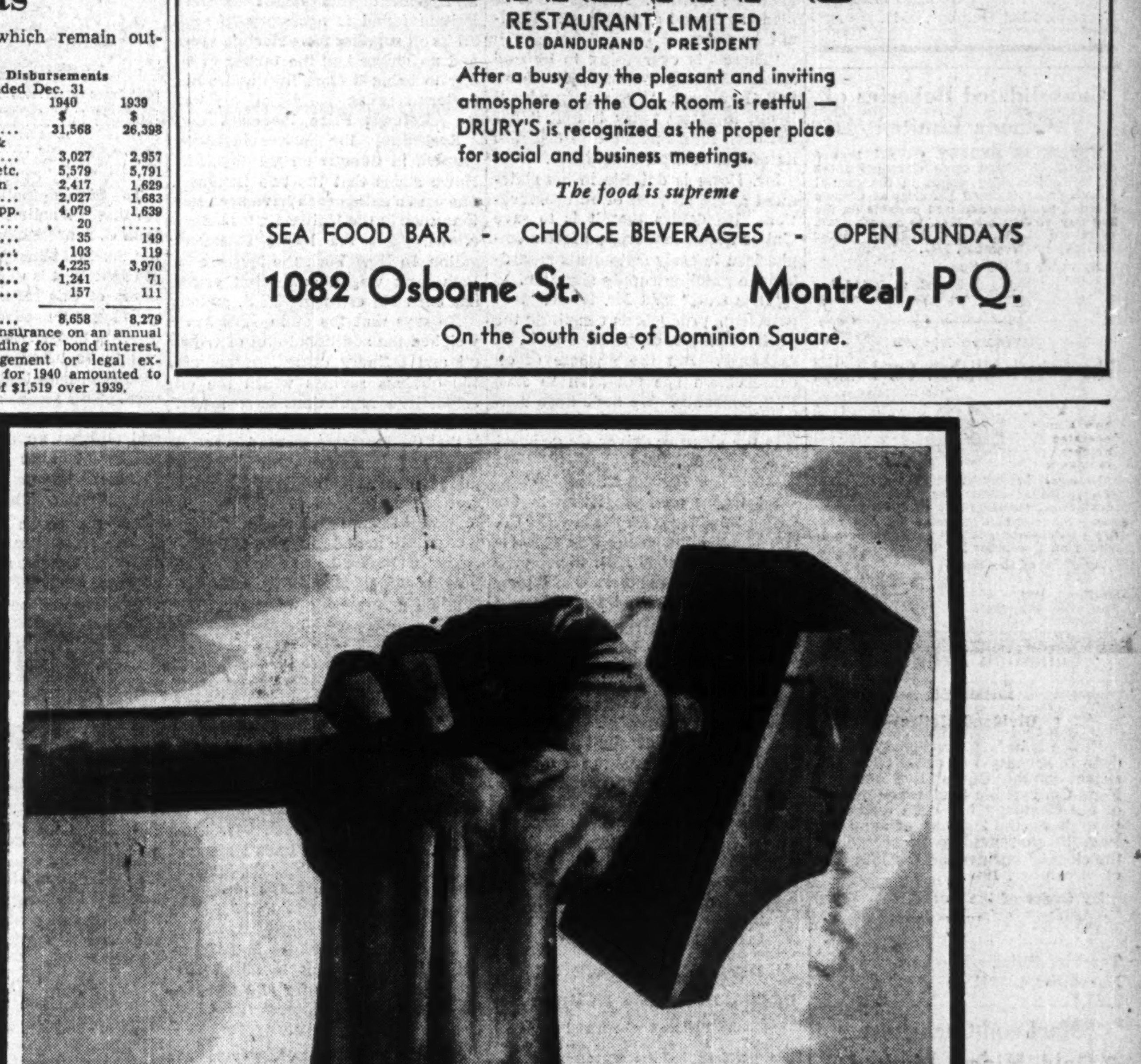
Since Sept. 30 the Bank of Toronto has announced the opening on Oct. 20 of a branch at the corner of Bloor St. and Royal York Road (Kingsway) Toronto.

The Canadian Bank of Commerce announces the closing of branches at Bass River, N.S., and Eastman, Que., (sub-agency to Magog, Que.) in effect from Oct. 31.

The ADMIRAL BEATTY
SAINT JOHN

Businessmen

Dine and Relax
at
DRURY'S
RESTAURANT, LIMITED
LEO DANDURAND, PRESIDENT
After a busy day the pleasant and inviting atmosphere of the Oak Room is restful — DRURY'S is recognized as the proper place for social and business meetings.
The food is supreme
SEA FOOD BAR - CHOICE BEVERAGES - OPEN SUNDAYS
1082 Osborne St. Montreal, P.Q.
On the South side of Dominion Square.



This is a war of work. Fighting men are needed, but workers and the money to keep workers busy on war production are the prime needs of the hour.

Canada's war machine demands a continuous flow of dollars; which means that as an employer you have a continuing responsibility to keep your employees saving and lending regularly.

Appeal to their sense of duty and their own self-interest. Urge them to pledge more. If you make it easy to save they'll find it hard to refuse.

SUPPORT THE WAR WEAPONS DRIVE IN YOUR COMMUNITY

56

URGE YOUR EMPLOYEES TO BUY MORE WAR SAVINGS CERTIFICATES

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 214

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1941.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the FIRST day of DECEMBER next.

The Chair to be taken at noon.

By Order of the Board.

JACKSON DODDS, General Manager. G. W. SPINNEY, General Manager.

Montreal, 21st October, 1941.

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the ninth day of December next.

The chair will be taken at 11 o'clock a.m., Eastern Daylight Saving Time.

By order of the Board.

A. E. ARSCOTT, General Manager.

Toronto, 10th October, 1941.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the tenth day of December, 1941, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

ROBERT RAE, General Manager.

Toronto, 23rd October, 1941.

Consolidated Bakeries of Canada Limited

NOTICE IS HEREBY GIVEN that a dividend of fifteen cents (15c) per share on the outstanding shares in the capital stock of Consolidated Bakeries of Canada Limited has been declared payable on the 2nd day of January, 1942, to shareholders of record at the close of business on the 18th day of December, 1941.

By order of the Board,

H. O. NEALE, Secretary.

DIVIDEND NOTICE

The Robert Mitchell Co. Limited

Notice is hereby given that a dividend of One Dollar ($1.00) per share upon the outstanding Capital Stock of the Company has been declared payable on the 15th day of December, 1941, to shareholders of record on December 1st, 1941.

By order of the Board.

H. S. McGEE, Secretary.

Montreal, P.Q. November 6th, 1941.

Canadian Breweries Limited

Dividend Notice

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Cumulative Sinking Fund Convertible Preference Shares of the Company has been declared, payable on the 2nd day of January, 1942, to shareholders of record at the close of business on the 15th day of December, 1941.

By Order of the Board.

W. C. BUTLER, Secretary.

Toronto, Ontario, November 4, 1941.

MacLeod-Cockshutt Gold Mines, Limited

(No personal liability)

INTERIM DIVIDEND

NOTICE is hereby given that an interim dividend of ten cents per share has been declared by the Directors of MacLeod-Cockshutt Gold Mines, Limited (no personal liability), payable in Canadian Funds on Dec. 1st, 1941, to shareholders of record Nov. 20th, 1941.

The Canadian 15% Tax will be deducted from dividends paid to non-residents.

By order of the Board.

J. M. MACINTOSH, K.C., Secretary.

Toronto, Nov. 4th. 1941.

The Consumers' Gas Company of Toronto

NOTICE of ANNUAL MEETING

The ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide St. East, Toronto, on MONDAY, the 17th DAY OF NOVEMBER, 1941, at 12 o'clock noon.

By Order of the Board,

EDWARD J. TUCKER, Secretary.

Toronto, October 6th, 1941.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 351

EXTRA DIVIDEND NUMBER 76

A regular dividend of 1% and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 2nd day of December, 1941, to shareholders of record at the close of business on the 18th day of November, 1941.

DATED the 11th day of November, 1941.

P. C. FINLAY, Secretary.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 80

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Monday, December 15, 1941 to shareholders of record at the close of business on Friday, November 21.

DIVIDEND NO. 81

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Monday, December 15, 1941 to shareholders of record at the close of business on Friday, November 21.

By Order of the Board,

FLETCHER RUARK, Secretary.

Walkerville, Canada October 29, 1941.

No Gas Famine This Winter If —

Outlook Depends on Keeping Boats Says Howe

Canada is "reasonably assured of fairly adequate supplies for the winter" of gasoline and oil, according to Hon. C. D. Howe, Minister of Munitions and Supply in a statement made recently before Parliament.

He conditioned this statement, however, on Canada being able to keep the present eight Canadian tankers and six Norwegian tankers which are supplying Canada's needs for ocean tankers. Since June, no gasoline or refined products have been brought to Canada in United States tankers.

This does not mean, however, that authorities in Canada are taking any chances that they will be unable to control the supply situation and assure all that we need for our war effort.

Card Rationing System

At the same time, it appears officials are still going ahead with a rationing system for gasoline. Coupon books are being printed and will likely be passed out to motorists through the provincial licensing facilities when 1942 licenses are bought as indicated in The Financial Post several months ago.

Under the system now being worked out the Oil Controller will determine from month to month how much gasoline each month's coupons will permit the holder to purchase. The system to be installed is to be a flexible one, with the determining factor in quantity being available supplies. Rations are to be made as liberal as supplies will permit, he states.

"There is everything to be said for a rationing system," Mr. Howe told the House. "The reason why it is not in effect today is that it has not been found possible to organize its administration so quickly."

Mr. Howe is definite in his statement of the purpose of oil conservation. He denies that it is to save United States exchange, a factor emphasized in early statements regarding the gasoline supply situation.

"It is true," said Mr. Howe, "that petroleum products do constitute the greatest single drain on our U. S. exchange. But the purpose of oil conservation has not been to save U. S. exchange. We have been conserving gasoline because if we give it to the pleasure driver we go short in the war effort."

The Joy Oil Claims

Regarding an open letter to the Prime Minister from the Joy Oil Co. Mr. Howe cited documents indicating that on July 2, 1941, Sir Arthur Slater, head of the British shipping mission in the United States, wrote the Canadian Oil Controller requesting:

1. The immediate release for United Kingdom service of eight Norwegian tankers then chartered to Canadian oil companies.

2. The release of eight Canadian flag ocean-going tankers for service as soon as the St. Lawrence was closed to navigation. (These 16 tankers were all that were owned or under charter by Canadian companies.)

3. The release to Britain of as many lake tankers as possible. These lake tankers were to be used in coastal service around Great Britain to relieve ocean tankers then used in the coastal service.

Give Up Tankers

Canada diverted the Norwegian tankers at once to Britain.

It was also agreed that the eight Canadian-flag tankers should go into U. K. service when St. Lawrence navigation closed, provided they could be replaced by equivalent tanker capacity from the "shuttle service."

Referring to the Joy Oil listing of tankers available for Canadian service, Mr. Howe said, one of those listed was lost by enemy action in March this year. Another is listed as a lake tanker when it should be an ocean tanker. Capacity quoted is deadweight tons in place of net cargo carrying capacity.

Cannot Shift Lake Tankers

As to the use of lake tankers on the ocean, Mr. Howe says "the majority of these are not fit for ocean service. While they might be used in the Caribbean, there is grave doubt that they should be used in the North Atlantic run, as suggested."

Two Canadian companies had arranged with Trinidad Leaseholds Ltd. to supply them with motor gasoline and one other with more than eight million gallons of aviation gasoline. The first two were the Joy Oil Co. and Sun Oil Co. In each case the arrangement was ended because Britain found it necessary to seek all its oil supplies from sterling areas and no longer had the tanker capacity to bring it from Iran and other eastern sources.

Defends Price Increases

Regarding the price increases granted in Canada on gasoline, Mr. Howe states that the two increases of a cent a gallon each have been less than seen in the United States before allowing for the larger Canadian gallon. In New York the increase in both tank wagon and retail prices has been 2½ cents per U. S. gallon.

He says that the authorities have weighed the additional cost of crude oil and refinery operations against the obvious savings which the oil controller's regulations have meant to the oil companies. His conclusion is that the increases granted in retail gasoline prices have been less than might have been warranted from cost figures submitted.

Aviation Gas Needs

Over the next 12 months Oil Controller Cottrelle has been asked to provide at least 110 million gallons of aviation gasoline for war use. Possibility of getting this huge amount—more than one tenth of our total normal consumption of gasoline—from the United States had been investigated but the conclusion is that "it is absolutely necessary that we provide for our own aviation gasoline requirements." This means taking a cut from the crude oil refined in Canada before any goes into other uses.

The conservation programme launched in Canada had been aimed at motorists. Its result had been to cut down the increase that occurred in the early part of 1941 over 1940. July, 1941, consumption of gasoline was 20% over the corresponding month of 1940. In September, however, consumption figures showed an amount just even with the same month a year earlier.

Next Year's Needs

For the coming year, Mr. Howe estimated that Canada will require at least 64 million barrels of oil, an increase of about 10 million barrels over 1940. This estimate makes no allowance of any conservation. Of this amount, an estimated 9.5 million barrels is to come from Canadian production of crude, about the same amount as expected for 1941. The balance has to come by tanker and pipeline. By refining areas, this oil will arrive as follows:

Imports of Crude Oil

	Barrels
Sarnia pipeline	10,700,000
Lake tanker	13,800,000
Ocean tanker	*30,000,000
	54,500,000

*Includes oil to come in by Portland-Montreal pipeline.

Refinery Requirements

	Barrels
Maritimes	10,500,000
Quebec	16,000,000
Ontario	20,500,000
Prairies	9,500,000
British Columbia	7,500,000
	64,000,000

The Sarnia pipeline is the only one feeding Canadian refineries direct from U. S. producing areas and serves the Sarnia refinery only. Operating at capacity it is unable to supply the needs of this refinery. For the remaining oil needed by Ontario refineries, as well as four million barrels to be taken by lake tanker to Montreal, lake tankers alone can be used. This means a greater demand than Canadian tankers can supply and at least an additional 7.2 lake tankers of 21,000 bbl. capacity must be found. The only source is American tankers which may be chartered.

For the ocean tankers required, Canada is dependent on the eight Canadian tankers and six Norwegian tankers already mentioned. How long these can be retained depends on Britain's needs. But even supposing all of these tankers are retained, Canada will still be short ocean tanker capacity of 350,000 bbls., or the equivalent of 3.5 tankers of 100,000 bbls. capacity each.

Alberta Production

Regarding Canadian production of crude oil, Mr. Howe points out that in 1940 Alberta produced about 8.7 million bbls. This was short of supplying the prairie marketing area by some 682,707 bbls. of crude and just over one million barrels of "white products," all of which were imported from the United States or shipped up the Great Lakes from eastern Canada refineries.

This year an accelerated drilling programme and a programme for more even production throughout the year resulted in a gain of 20.7% in Turner Valley production to September 30 this year over last year. Production averaged 21,422 bbls. daily in the 1940 period against 25,952 bbls. this year and a total production of 9.5 million barrels seems assured. At Sept. 30, 1941, there were 167 producing wells compared with 126 a year earlier.

The result has been that no imports of crude oil to the prairie area have been necessary this year, according to Mr. Howe although substantial quantities of refined products went up the lakes for distribution in Manitoba and farther west.

This year, he says, "we have had the largest exploratory programme . . . in the history of the west. Many structures have been seismographed. There is no question that drilling in new areas will be in evidence next year. There is no doubt also that further new areas will be explored.

"We must bear in mind that an oil well is a depleting asset and that we must have new wells and we must find a new Turner Valley. Every effort has been put forward to find this new field."

Inventories Reduced

The difficulties faced in maintaining supplies, coupled with the rising consumption, this year has meant depleted inventories of both refined products and crude oil, states Mr. Howe. In spite of the fact that Canadian refineries received 1.1 million bbls. more crude oil in July, August and September this year than they did a year ago, refinery inventories at Oct. 1 this year are 1.4 million bbls. below the level of a year earlier. Most of this decrease took place in the Montreal area where the drop was 902,404 bbls. The fact that the new Montreal pipeline comes into operation this fall, coupled to assistance from Ontario supplies means needs can be met this winter.

Petroleum Inventories (Thousands of Barrels)

As at July 1	1941	1940	Change
Crude oil	3,869	3,486	+383
Unfinished	1,453	1,534	−81
Aviation	289	160	+129
Other gas	1,887	2,738	−850
Light fuel	751	840	−89
Heavy fuel	1,050	1,413	−363
	9,298	10,171	−872
Marketing:			
Gasoline	2,871	2,482	+390
Light fuel	840	735	+105
Heavy fuel	939	876	+63
Total	13,949	14,264	−314
As at Oct. 1	**1941**	**1940**	**Change**
Crude oil	4,241	4,697	−456
Unfinished	1,595	1,718	−143
Aviation	374	200	+174
Other gas	1,578	2,186	−608
Light fuel	1,103	1,164	−61
Heavy fuel	1,330	1,679	−349
	10,222	11,645	−1,423
Marketing:			
Gasoline	2,877	2,630	+247
Light fuel	1,163	1,121	+42
Heavy fuel	1,150	1,021	+129
Total	15,412	16,417	−1,005

World Movie Audiences See Canada At War

Comfortably seated in a theatre watching the latest edition of "Canada Carries On" unreel, Mr. and Mrs. Canadian Public have little indication of how this distinctive movie feature carries the story of Canada's war effort to many parts of the world. Each film of this now familiar series circulates in French and English versions to about 900 theatres in this country and has for its audience an estimated 2,500,000 Canadians.

Just as important, however, as their domestic interest is the interest these dramatic presentations have aroused in the film industry outside Canada. Arrangements have recently been completed which will ensure the theatre circulation of this series in most of the countries of the world free from Nazi domination.

Here is how the "Canada Carries On" series is sent around the globe. Lavender prints from which new negatives and other prints may be taken are sent to newsreel makers in New York, The Twentieth Century Fox in Australia, the Ministry of Information in the United Kingdom and the High Commissioner for Canada in the Union of South Africa.

Through Twentieth Century Fox the series is distributeed to 700-800 theatres in Australia and New Zealand, between 40 and 50 theatres in Thailand while they also travel to India, the Netherlands East Indies and the Straits Settlements.

In South Africa the High Commissioner for Canada has arranged for distribution of the "Canada Carries On" films through Metro-Goldwyn-Mayer, Twentieth Century Fox and the American Consolidated Theatres, which comprise all the major theatres in South Africa.

In the British West Indies, Columbia Pictures of New York distribute the series throughout the theatres of those islands.

The "Canada Carries On" feature was first distributed to several Hundred theatres throughout the United Kingdom through the Paramount system. Distribution of National Film Board war productions in Britain is now in the hands of the British Ministry of Information. In the United States the National Film Board has not undertaken extensive commercial distribution but several issues of the series have been widely shown in newsreel theatres from coast to coast.

Ranging over a wide variety of topics concerned with Canada at war the "Canada Carries On" series has described life in the Canadian forces with "Heroes of the Atlantic" "Soldiers All"; the vital war contribution of Canada's miners in "The Strategy of Metals" and "A Tale of Two Cities."

Chatelaine "Glorifies" the Canadian Girl

NEW SERIES OF COVERS SETS AN ALL-TIME HIGH IN ATTRACTIVENESS AMONG MAGAZINES PUBLISHED IN CANADA.

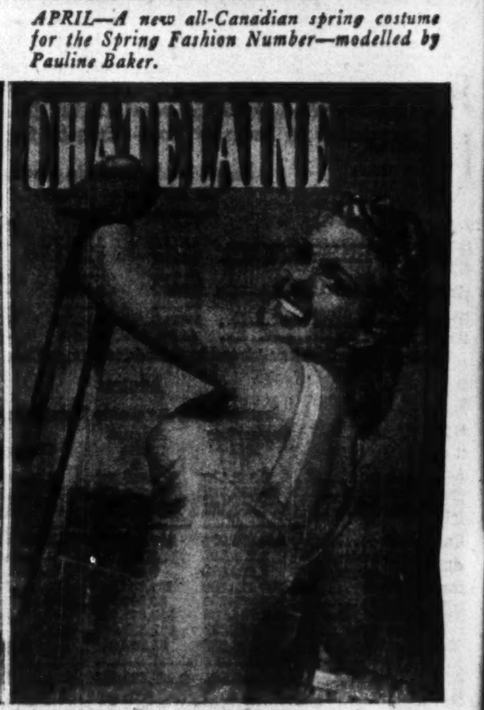
With the April issue, Chatelaine inaugurated a completely new programme for magazine covers in Canada, "glorifying," as a master showman called it, the Canadian girl in Canadian costumes. Under the direction of Chatelaine's own editorial staff, covers are now being planned, created and photographed in Canada. Photogenic Canadian girls in rich-colored Canadian costumes and backgrounds are used for modelling. Authentic and colorful, each cover is given a positive Canadian character and vitality. And what covers! Truly Canadian, featuring actual Canadian merchandise that can be readily bought in Canadian stores as well as increasing reader interest.

Again Chatelaine demonstrates its leadership!

APRIL—A new all-Canadian spring costume for the Spring Fashion Number—modelled by Pauline Baker.

JUNE—Colorful travel booklets from every province gave a striking background for holiday issue—modelled by Phyllis MacDonald.

JULY—Featuring a pretty Irish-Canadian girl in one of the new summer hats—modelled by Kathleen Lafferty.



AUGUST—This attractive bathing girl was chosen "Miss Toronto" the very week the August cover reached the news stands, causing a furore of interest—modelled by Rose Burkett.

SEPTEMBER—A preview of what the smart co-eds will be wearing, this costume was rushed from a Canadian factory to the steps of a Canadian college—modelled by Mary Foote.

OCTOBER—And now we present the October Fall Fashion cover with its stunning interpretation of the coming mode—modelled by Phyllis Watts.

THE DECEMBER COVER TAKEN AT THE C.N.E.

Chatelaine's Christmas cover was seen in the making at the Canadian National Exhibition — studio, models, costumes, background, camera, lights, artists, editors — the complete cover was photographed in color Thursday evening, September 4th, in the General Exhibits Building as part of the Advertising Show, Models Contest and Photographic Presentation, sponsored by the Advertising and Sales Club of Toronto, Inc.

CHATELAINE

Key to Canada's First 1/4 MILLION Families

481 UNIVERSITY AVE., TORONTO

MONTREAL, LONDON, ENG., NEW YORK, CHICAGO

Position of Chartered Banks of Canada as of September 30, 1941, Shown by Monthly Returns to Minister of Finance

LIABILITIES

Name of Bank	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	18,443,070	99,705,703	8,169,691	....	304,025,973	395,742,732	97,963,869	2,569,166	7,835,129	11,304,594	....	17,510,254	4,230,561	55,264	39,000,000	36,000,000	1,042,556,011
Nova Scotia	7,048,453	25,124,519	589,718	....	68,705,053	143,130,747	40,277,970	3,736,976	1,353,158	1,202,945	....	16,916,404	142,181	361,818	24,000,000	12,000,000	353,589,949
Toronto	2,920,244	18,002,416	1,233,074	....	57,689,334	82,392,834	326,740	366,323	660,250	408,769	....	2,569,522	....	5,694	9,000,000	6,000,000	181,575,205
Provinciale	2,202,530	2,979,394	415,423	....	11,700,709	37,731,887	14,666	....	....	23,426	....	159,821	4,232	5,738	1,000,000	4,000,000	60,246,830
Commerce	16,111,816	58,098,160	17,980,530	....	208,051,986	306,945,775	70,298,363	1,110,426	3,409,165	6,535,738	....	23,817,901	....	632,887	20,000,000	30,000,000	763,001,752
Royal	23,157,844	63,868,210	9,797,911	....	312,122,396	319,920,225	226,533,053	18,552	2,669,949	8,159,080	....	35,173,088	607,180	68,921	20,000,000	35,000,000	1,057,105,415
Dominion	3,712,324	14,336,797	988,885	....	48,539,420	73,120,797	9,049,810	1,092,930	762,748	345,504	....	2,980,800	708,005	177,743	7,000,000	7,000,000	169,816,076
Nationale	3,608,727	10,407,354	1,533,131	....	38,197,550	100,470,194	452,333	1,418,854	71,131	630,760	....	471,374	48,096	8,251	5,000,000	7,000,000	169,317,760
Imperial	4,239,290	20,083,943	14,174,781	....	56,508,534	89,780,928	644,624	1,685,972	903,074	504,947	....	3,037,680	....	176,755	8,000,000	7,000,000	206,740,533
Barclays (Canada)	580,050	3,895,326	3,829	....	4,788,877	5,907,103	3,181,197	662,161	2,586,061	911,477	....	1,459,873	25,513	....	750,000	1,500,000	26,351,471
Total	82,024,348	316,501,831	54,895,963	....	1,110,338,832	1,555,152,222	457,742,625	12,661,360	20,250,665	30,027,540	....	104,096,726	5,765,768	1,493,071	133,750,000	145,500,000	4,030,301,002

▲Of this amount, $52,995,191 represents deposits in Canada in currencies other than Canadian.

SUPPLEMENTARY INFORMATION

Name of Bank	Capital Authorized	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circulation
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	407,917	86,926,480	19,249,[illegible]
Nova Scotia	15,000,000	12,000,000	12	2,671,175	23,949,000	7,048,[illegible]
Toronto	10,000,000	6,000,000	10	490,222	23,174,689	2,971,[illegible]
Provinciale	5,000,000	4,000,000	6	159,500	6,076,172	2,255,[illegible]
Commerce	50,000,000	30,000,000	8	1,060,802	50,953,183	18,435,[illegible]
Royal	50,000,000	35,000,000	8	1,306,251	74,666,973	23,330,[illegible]
Dominion	10,000,000	7,000,000	10	647,137	12,858,946	3,801,[illegible]
Nationale	10,000,000	7,000,000	8	156,771	15,576,004	3,655,[illegible]
Imperial	10,000,000	7,000,000	10	616,399	12,239,500	4,320,[illegible]
Barclays (Canada)	1,500,000	1,500,000	....	6,525	1,930,941	[illegible]
Total	211,500,000	145,500,000	....	7,521,699	308,351,888	84,023,[illegible]

*And loans for which they are guarantors.

ASSETS

Name of Bank	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,460,034	77,357	24,116,396	61,191,676	889,045	747,033	34,374,481	2,401	6,765,903	47,263,042	267,012,820	170,959,894	17,789,532	22,960,725
Nova Scotia	421,286	929,268	7,015,512	17,373,252	238,404	6,764,388	12,158,749	....	8,323,844	16,382,079	50,462,240	55,464,068	10,517,402	1,843,216
Toronto	326,838	....	4,340,614	19,305,626	119,710	121,096	7,746,975	....	469,791	2,940,931	37,456,253	32,177,399	2,515,584	....
Provinciale	303,877	....	2,321,977	3,864,176	106,420	60,619	2,239,963	31,938	45,197	1,069,993	6,623,144	7,457,398	11,994,378	....
Commerce†	1,025,290	198,145	15,655,152	28,750,528	403,103	1,953,345	25,796,550	850	5,722,030	23,481,818	133,376,823	118,496,325	9,521,601	28,881,231
Royal	1,577,021	1,884,669	24,399,553	41,816,541	820,055	23,823,344	41,394,849	4,289	14,255,423	55,733,950	228,191,226	150,599,168	7,209,295	11,299,983
Dominion	332,137	139	3,432,850	10,391,341	241,990	187,278	5,861,834	94	3,959,208	4,112,216	28,236,122	20,481,444	1,590,077	667,500
Nationale	673,378	....	6,341,852	6,172,739	205,255	107,724	6,183,602	1,040,578	22,467	2,021,165	36,281,120	21,421,608	16,445,412	9,673
Imperial	444,862	....	6,331,034	6,868,213	230,815	137,290	10,083,722	649,077	102,012	2,870,900	39,271,694	38,944,937	7,015,302	....
Barclays (Can.)	3,437	....	91,692	1,726,440	1,770	3,063	307,734	806,463	1,943,825	2,636,856	4,842,826	7,141,478	1,000	35,000
Total	6,568,160	3,089,578	94,056,632	207,461,132	3,256,567	33,905,180	146,148,459	2,535,690	41,609,700	158,513,950	831,754,268	623,144,319	84,599,584	65,696,328

Name of Bank	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	24,290,357	3,184,979	19,222,672	255,436,035	19,885,780	1,961,131	31,254,655	930,677	440,546	444,363	13,900,000	1,015,765	1,044,941	1,046,751,5[illegible]
Nova Scotia	9,913,282	3,919,101	477,183	109,624,067	13,[illegible]19,916	651,588	3,539,747	405,226	....	84,922	5,763,799	434,519	2,526,015	355,463,7[illegible]
Toronto	3,549,787	1,412,280	....	62,972,232	....	....	3,651,729	59,161	....	7,130	3,294,489	172,958	2,528,015	183,210,11[illegible]
Provinciale	1,403,058	2,639,022	....	14,462,743	....	19,430	2,679,796	73,068	461,184	287,202	2,080,502	129,913	154,674	60,660,[illegible]
Commerce†	13,697,205	8,359,014	10,955,376	247,254,525	19,815,879	4,797,850	13,038,165	1,338,600	2,223,765	1,054,462	14,191,605	852,000	4,404,071	769,083,[illegible]
Royal	31,553,592	8,637,973	15,006,247	245,775,012	78,052,445	1,920,535	17,274,383	1,792,346	1,928,732	680,567	14,528,454	1,200,000	3,761,856	1,068,309,[illegible]
Dominion	1,719,730	1,518,523	1,714,580	75,095,953	1,079,668	639,666	293,747	186,247	36,833	45,977	5,325,205	217,542	205,507	170,744,[illegible]
Nationale	4,054,498	3,390,935	....	49,770,597	....	268,674	7,804,063	191,277	1,565,576	628,688	4,890,454	218,611	220,386	170,404,711
Imperial	358,336	3,076,960	....	78,194,511	....	423,563	3,788,705	303,359	44,163	317,564	5,720,248	230,297	98,571	208,143,7[illegible]
Barclays (Can.)	....	174,635	....	4,617,735	....	....	....	5,390	....	....	442,411	23,928	16,973	26,272,[illegible]
Total	90,539,854	36,313,422	47,376,058	1,143,203,420	132,153,688	10,691,446	83,325,030	5,285,361	6,690,739	3,550,775	70,337,167	4,482,528	13,044,994	4,052,430,[illegible]

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

▲Total assets include $104,096,726 letters of credit outstanding as shown in liabilities.

Can. Inv. Fund Sells Bonds

Most important change in the investment portfolio of Canadian Investment Fund Ltd. during the quarter ended Sept. 30, 1941, was elimination of its holding of $100,000 Dominion of Canada 2% bonds due 1946, a review of the trust's portfolio shows. Only other change during the quarter was the elimination of 500 shares of Loblaw Groceterias "A" coupled with an increase in the holding of Loblaw "B" to 2,400 shares from 2,230 shares three months ago.

As at Sept. 30, 1941, the company's portfolio consisted of 94.23% common stocks, 1.80% preferred stocks and 3.97% bonds.

New Paper Lines, Good Business

Predicts Satisfactory Showings for Many 1941 Reports

By JOHN LANGDON

MONTREAL. — Canadian newsprint companies are well on their way to showing increased gross and net profits for 1941 as compared with 1940.

It is still too early to attempt to forecast as to how earnings of individual companies will shape up this year. However, taking the industry as a whole, indications are the majority of, if not all, operators will show a better income than in 1940 despite increased taxes.

Until shortly after mid-year, prospects were the dollar value of sales this year would approximate those of last year, with net profits slightly less owing to higher taxes and costs.

The picture has altered considerably since then due to the introduction of new products manufactured by the newsprint industry. The principal item is Point Nine corrugating paper, with manilla news and a general service sheet following.

This new business is running at the rate of 5,000 to 6,000 tons a week, the average selling price for the corrugating paper in the neighborhood of $60 to $65 a ton delivered New York.

The new business is spread fairly evenly over the industry, with Canadian International Paper, Consolidated, St. Lawrence Paper Mills, and others doing a large share.

Add to Gross Income

Gross income from this new type of business should add about $6 millions to $7½ millions to the dollar value of sales for 1941.

The percentage of profit on the kraft substitute paper contracts naturally varies as between mills. Some operators report making more profit on the corrugating paper than on newsprint; others a smaller profit.

Cut Overhead Expenses

By far the most important point, however, is that the additional business takes up the slack of machine capacity and thus reduces substantially overhead expenses. Consequently operators handling both newsprint and kraft substitute paper find not only their dollar income larger, but the margin of profit per ton of paper produced greater.

Added to this is the fact American dollar income of the operators will be as great, if not slightly greater, than in 1940. This latter factor will offset the small decline in overseas business.

Larger Earnings Indicated

Some indication of the improved position of the newsprint companies may be gathered from the interim reports issued by Abitibi Power and Paper Co. and International Paper Co.

For the first nine months of 1941 Abitibi had a gross profit, before depreciation and bond interest, but after interest on receivers' certificates, of $6,577,685. This represented an increase of $653,248, or 11.03% over the like period of 1940.

Production returns of the company indicate that newsprint output to the end of last September at 322,346 was some 4,000 tons less than for the like period of 1940. Sales of bleached sulphite pulp, on the other hand, at 65,872 tons showed an increase of 9,000 tons over last year's returns.

I. P. Does Well

Returns for International Paper Co. are equally encouraging. However, it should be noted this company is now primarily a kraft producer so its revenues do not necessarily reflect trend of newsprint demand, though the latter has an important bearing on earnings.

For the first half of 1941 International Paper had gross sales of $95.2 millions, as against $77.2 millions in the same period of 1940. Net earnings before depreciation, interest charges and taxes totalled $23.3 millions compared with $16.7 millions last year. Because of an increase of nearly $4 millions in provision for taxes and of $3 millions for depreciation, net profits of $6.7 millions were slightly less than in the first half of 1940.

Interim returns of these two major companies are of value in indicating trend of earnings for other newsprint companies. While they do not reveal any very marked change in net position from last year, still, prospects are, both gross and net income for the full year will be on a moderately better basis, despite substantially higher taxes.

Manufacturers, while welcoming the new type of business, are still primarily newsprint producers.

There is plenty of paper to take care of the requirements of contract users. Moreover the producers are keen to have additional business.

Manufacture of corrugating paper, manilla news, etc., while limiting spare capacity, will not prevent manufacturers accepting any new newsprint business offering.

See No Shortage

All the operators are out to secure as much business as they can get and there is no suggestion, at this time, of any shortage of newsprint developing now or in the immediate future.

The overseas picture continues somewhat beclouded. Tonnage shipped to the end of September was only 373,999, as against 508,673 for the like period of 1940.

It is not possible to make an accurate prediction as to trend of overseas business for the balance of the year. At present there is no lack of demand to fill every available foot of cargo space obtainable. But other products rank ahead in priority and the shipping factor is still an important influence on overseas trade, as also is rationing, exchange restrictions, etc. The domestic situation continues much the same.

U. S. Market Survey

The really big market for Canadian newsprint remains, as before, in the United States.

For the first three quarters of 1941, deliveries of paper to the American market were 1,992,731 tons. This contrasts with 1,940,227 tons for the same period a year ago.

Trend of newsprint consumption in the States is running along expected lines — increase to Sept. 30 amounting to 2.8 % over 1940.

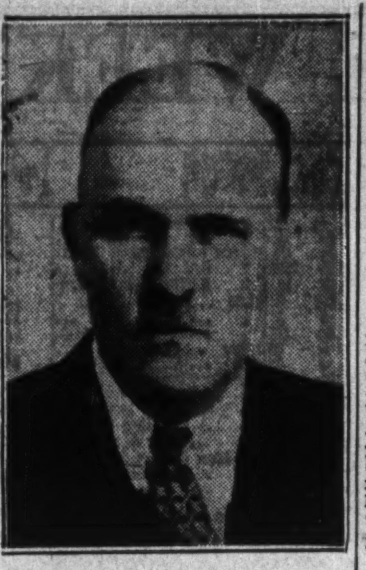
There is no reason at this stage for expecting a reversal of trend. In some quarters it is even anticipated consumption may increase.

Use Machine Capacity

The corrugating paper, manilla, news and other kraft substitute business now accruing to the Canadian mills from the U. S. is expected to continue until the end of the year. In one or two quarters it has been predicted that this business may then peter out, but there is no intimation, official or otherwise, of this.

For the months immediately ahead Canadian newsprint mills, will handle just as large a volume of business of newsprint paper as previously, while the specialty paper business is expected to take up the slack in machine capacity.

There is reason, therefore, for expecting Canadian mills to bring out an improved financial statement covering operations in 1941.



NEW WAR POST

D. W. Ambridge, assistant manager of Ontario Paper Co. and associated firms, who has been appointed director of the shipbuilding branch of the Department of Munitions and Supply.

Robert Mitchell Co. Steps Up Dividend

From Our Own Correspondent

MONTREAL.—Directors of Robert Mitchell Co. have declared a dividend of $1 a share payable Dec. 15 to holders of record Dec. 1.

At the end of last June the company paid a dividend of 50 cents a share, making a total of $1.50 for the current year.

In 1940 there was a single payment of 50 cents a share Dec. 20, which marked resumption of payments after a lapse of nearly nine years.

Paper Demand Makes Record

Defense Needs Taking About 30% of Output; Delays in Deliveries

From Our Own Correspondent

MONTREAL.—Expanding government requirements and increasing commercial and industrial consumption have lifted U. S. demand for paper and paper products to record-breaking peaks, reports Dun & Bradstreet Inc. Although mills have been operating at or near capacity for several months, new bookings have consistently exceeded production and backlog of unfilled orders is at a new high.

For the first eight months of 1941 output of paper, except newsprint and paperboard, made gains of 12% over last year, while orders received by manufacturers increased 30%. With defense needs taking about 30% of output many mills, already 30 to 60 days late in filling orders, are refusing to accept business from new sources and are rationing supplies among old customers.

Shortages More Acute

Shortages of some grades of woodpulp, most important raw material in paper manufacturing, have become increasingly acute. Pulp imports have declined as European shipments have been virtually cut off. Canadian and domestic pulp mills have speeded up in an effort to make up the deficiency, but increased exports to Great Britain and Latin America, also deprived of European supplies, have helped to limit the quantities available.

Chemicals essential to the paper industry, such as chlorine, caustic soda and formaldehyde have been placed under priority control. The shortage of wastepaper has led to an intensive nationwide drive to bring in supplies of this material. The industry has also had difficulty in getting certain metals, such as stainless steel and copper, vital for the repair and maintenance of paper machinery.

Prices of paper, although tending to go higher, have been partially checked by voluntary agreements with the Office of Price Administration.

U. S. Pulp Mills' Output Well Above 1940 Level

From Our Own Correspondent

MONTREAL. — With 89% of the industry capacity reporting, United States pulp mills produced 821,511 tons during last August, as compared with 616,802 tons in the previous month and 636,522 tons in Aug., 1940, when 86% of the industry reported, according to returns released by the United States Pulp Producers Association.

Compared with last year's returns the production of sulphite pulp this year totalled 237,175 tons, a gain of roughly 14,000 tons. Sulphate production at 363,263 tons increased by nearly 50,000 tons. Groundwood production was up 3,500 tons to 90,552 tons.

The position of stocks at the end of August, compared with the same period a year ago, shows sizable expansion in tonnage. The total of all grades at the end of last August was 156,251 tons, compared with 125,919 tons at the close of Aug., 1940. The gain, however, was entirely due to a sharp increase in damaged, off-quality and miscellaneous pulps which rose in quantity during the 12 months' period from 2,271 to 67,987 tons. Sulphite stocks this year at 37,238 tons compare with 69,853 tons a year ago; sulphate stocks now stand at 14,958, compared with 22,879 tons a year ago. Groundwood stocks are slightly higher.

Particulars of the mill returns for Aug. 1941, follow:

Monthly Wood Pulp Statistical Review
(In tons of 2,000 pounds, air dry weight)
August, 1941

Grades:	% of Ind'y. capacity reporting	Prod'n. during Aug.	Used by producing mills	Sales, foreign & domestic	*Stocks on hand end of Aug.	Imports during Aug.
Total, all grades‡	89%	821,511	659,075	183,903	156,251	19,554
Total Sulphite .	98%	237,175	127,997	113,569	37,238	10,650
Bleached	100%	141,978	74,015	72,029	22,140	7,669
Unbleached ...	95%	95,197	53,982	41,540	15,098	2,981
Total Sulphate ..	96%	363,263	338,645	27,652	14,958	8,728
Bleached	100%	58,387	50,919	7,088	4,835	1,332
Unbleached ...	95%	304,876	287,726	20,564	10,123	7,396
Groundwood	67%	90,552	97,143	3,403	36,068	.....
Damaged†	75%	130,521	95,290	39,279	67,987	176

*Total, for own use and sale, of pulp of own manufacture. (Does not include stocks of purchased pulp). ‡Except soda. †Off-quality and miscellaneous.

Amalgamated Electric Adding to Toronto Unit

From Our Own Correspondent

MONTREAL.—Foundation Co. of Ontario, subsidiary of Foundation Co. of Canada, has been awarded the general contract by Amalgamated Electric Corp., covering a $160,000 addition to the Toronto plant.

Want More Information From Newsprint Operators

From Our Own Correspondent

MONTREAL.—Lack of adequate current information on pulp and paper companies' operations is complained of by Greenshields and Co., member of the Montreal Stock Exchange, in its current news bulletin.

Refering to returns made public monthly by Abitibi Power and Paper Co., the bulletin says: "Reference might be made to the fact that if it were not for the bankruptcy of Abitibi Power and Paper and reports from American companies like International, security-holders in Canada's vast pulp and paper industry would be left guessing what the trend of earnings in the industry has been so far this year."

Sidestep Another S.E.C.

The bulletin goes on to say: "Why management of the solvent members of the Canadian industry does not voluntarily supply corresponding information is possibly one of those mysteries which may only be solved if anti-corporation agitation, of the kind that brought the S.E.C. and its headaches into the American business situation, gets under way here."

In the field of operating statistics, the Canadian newsprint industry, as well as the American newsprint industry, has done an outstanding job. The monthly reports on operations prepared by the Newsprint Service Bureau, Newsprint Association of Canada, and allied statistical material prepared by the American Newspaper Publishers Association, provide the investor with considerably more detailed information than is available for most other industries. On the other hand, as Greenshields & Co. points out, the policy of some operators, gives shareholders little information.

Flapjacks for Lumberjacks Rates as Big Business

From Our Own Correspondent

MONTREAL.—Flapjacks for lumberjacks is big business: the men employed in cutting wood for Canada's pulp and paper industry consumed some 7,500 tons of flour last season valued at over $580,000. But that is only part of the food bill these outdoors men run up. It totals roughly $6.8 millions and every province profits from it, particularly farm communities.

These lumbermen don't live on a diet of flapjacks. Last year they ate 8,000 tons of meat—6,000 tons of beef and 2,000 of pork—while another 1,200 tons of lard went into the frying pan. They also ate 1,000 tons of beans, 11,000 tons of potatoes, almost one million tins of tomatoes and 640 tons of fruit.

Strong on Sweets

They have a sweet tooth these lumberjacks: they used roughly 4,000 tons of sugar, 135,000 gallons of molasses and 500 tons of jam. They are also strong on dairy products—300 tons of cheese and over 500 tons of milk being used. Salt ran to over 400 tons and fish to another 75 tons.

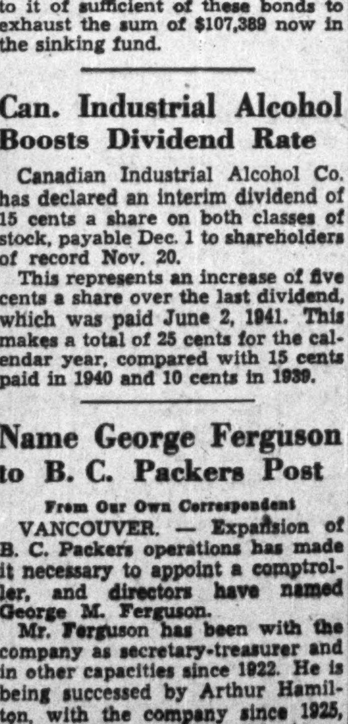
Tea, coffee and cocoa, too, are consumed by the ton 175 tons of them to be exact, and spices amounted to 24 tons.

More to Come

These figures are for the men employed in the woods operations only of the pulp and paper industry. Another 35,000 men are employed in the pulp and paper mills and earn some $56 millions in salaries and wages: a large part of this is spent in feeding and clothing their families. All told, about half a million people are directly dependent for their livelihood on the pulp and paper industry.

Hinde & Dauch Refunds First Mortgage Bonds

Hinde & Dauch Paper Co. of Canada Ltd. has refunded its outstanding 4% first mortgage bonds, due May 1, 1941-42, of which $450,000 were outstanding at Dec. 31, 1940. Replacing this retired issue is a new 3% issue of $300,000 first mortgage bonds due serially in amounts of $100,000 each on May 1, 1942, 1943 and 1944. The first mortgage bonds of Hinde & Dauch are understood to be privately held.



NEW AGENCY HEAD

J. P. Hamilton has just been elected president of Tandy Advertising Agency Ltd. After service overseas with the Canadian Expeditionary Forces, Mr. Hamilton in 1919 joined Smith, Denne & Moore Ltd. In 1927 he joined Tandy Advertising Agency, and has been associated with that firm since.

U. S. Paperboard Output Maintained

September Returns Reflect Small Decline; Unfilled Orders Heavy

From Our Own Correspondent

MONTREAL. — Production of paperboard in the United States receded somewhat during September, 1941, showing a decrease of 1.2% under the high August level, according to returns of the U. S. Dept. of Commerce.

Paperboard production last September was 538,405 tons, or 95% of the rated capacity of the 103 concerns reporting. This contrasts with 545,116 tons in August. The ratio of operations to rated capacity last September was 92.4% compared with 91.1% for August, 1941, 68.7% for September, 1940, and 73.6% for September, 1939.

There was a slight decrease in new orders received during the month and in unfilled orders at the end of the month. The latter amounted to 444,736 tons, a decline of about 8,100 but nearly 3½ times greater than reported at the end of September, 1940.

Lumbermen Told Of War Needs

From Our Own Correspondent

OTTAWA.—Over 200 lumbermen representing the industry's self-government under wartime control and regulations met here recently.

This is the first time a completely representative gathering of Canadian lumbermen has been held. At the meeting were representatives of manufacturers, distributors and retailers.

The men asked to attend the conference (under the chairmanship of Allan S. Nicholson, timber controller) were largely members of committees set up under the timber control to regulate and operate the price and supply control under which the entire industry has been operating now for some time.

Mr. Nicholson indicated that for 1941-42 the industry would require as much lumber as last year when the cut totalled about 4.3 billion ft.

Of last year's total, about 1.5 billion ft. were exported to U. K., 650,000 M. ft. to U. S., 250,000 M. ft. to other countries. The remainder, about 1.9 billion ft., was consumed in Canada.

Dam Is Refused For Donnacona

From Our Own Correspondent

MONTREAL. — Donnacona Pulp and Paper Co.'s request to build a storage dam at an outlet of Lake St. Joseph, near Quebec City, has been turned down by the Provincial Minister of Lands and Forest.

The company sought authorization to build a $90,000 dam at an outlet on the lake near the Port Neuf, in Duchesnay. Company officials said they wished to build the dam to provide a uniform flow of water so that they could develop all the hydro power needed to operate their two mills on the Jacques Cartier River.

The Minister's refusal of the request was based on a protest from residents of Lake St. Joseph who were opposed to the move, claiming that it would ruin the lake as a summer resort.

International Paper Co. Seek Offers of Bonds

From Our Own Correspondent

MONTREAL.—Bankers Trust Co., trustee for International Paper Co. first and refunding 5% sinking fund mortgage bonds, series "A" and "B," announces it will receive at its New York office up to noon, Nov. 17, prices not to exceed 102½ and accrued interest, offers for the sale to it of sufficient of these bonds to exhaust the sum of $107,389 now in the sinking fund.

Can. Industrial Alcohol Boosts Dividend Rate

Canadian Industrial Alcohol Co. has declared an interim dividend of 15 cents a share on both classes of stock, payable Dec. 1 to shareholders of record Nov. 20.

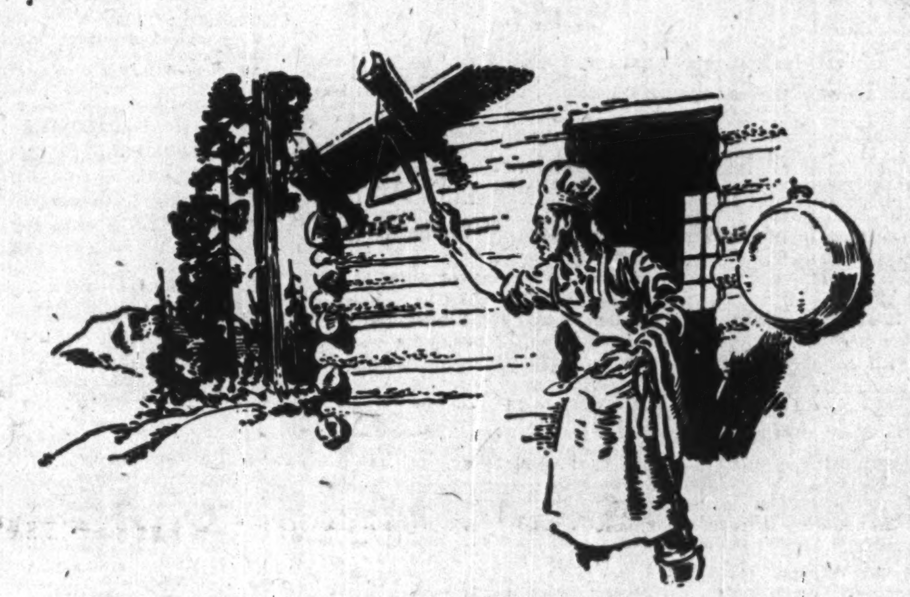
This represents an increase of five cents a share over the last dividend, which was paid June 2, 1941. This makes a total of 25 cents for the calendar year, compared with 15 cents paid in 1940 and 10 cents in 1939.

Name George Ferguson to B. C. Packers Post

From Our Own Correspondent

VANCOUVER. — Expansion of B. C. Packers operations has made it necessary to appoint a comptroller, and directors have named George M. Ferguson.

Mr. Ferguson has been with the company as secretary-treasurer and in other capacities since 1922. He is being succeeded by Arthur Hamilton, with the company since 1925, latterly as Ferguson's assistant.



ALL CANADA PROFITS FROM

THIS MAMMOTH GROCERY BILL

The cook is an important man in the pulp and paper scheme of things: feeding 100,000 hungry lumberjacks is no small job. It calls for unusual skill; it also calls for abundant supplies. Groceries consumed in the woods operations of the industry alone — by the "cruisers", the "fallers", the "skidders" and others engaged in getting the pulp wood to the mills — totalled in 1940 over $6,780,000. Individual items are measured in tons; a few of the more important follow:

Beef	6,000 tons	Fruits	643 tons
Pork	2,000 tons	Beans	1,000 tons
Lard	1,200 tons	Beverages (tea, coffee, cocoa)	176 tons
Butter	1,300 tons	Jam	495 tons
Cheese	300 tons	Spices	24 tons
Sugar	3,900 tons	Salt	400 tons
Flour	7,500 tons	Fish	75 tons
Potatoes	11,000 tons		

Every province contributed to this grocery list; every part of the country profited from it. *Farmers* found a market for their wheat, their dairy produce and vegetables; *stockmen* for their cattle; *growers* for their fruits; *fishermen* for their catch — and *workers* in food processing and packing plants for their skill.

Another million and a quarter dollars went to farmers for fodder; many of them, too, found employment in woods operations when work on the farm was at low ebb.

Pulp and Paper is Canada's greatest industry. Whole communities depend on it; it touches the life of every one of us. It is therefore in the interests of all that this industry should be stable and strong.

THE PULP AND PAPER
INDUSTRY OF CANADA
872 SUN LIFE BUILDING MONTREAL

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 10

Range 1941 High	Low	Div. R'te $	Nov.8 Y'ld %		Sales	Last Nov. 3	Week end. Nov. 10 H	L	Cl'se
				A					
1.15	.50	.	...	Abitibi	2375	.90	.90	.85	.90
9¼	4	.	...	Do. pref. 6%	735	7½	8	7½	7½
15	8	.	...	Do. pref. 7%	10	14½	14	14	14
3	1	.	...	Acme Glove	....	(2½ bid — asked)			
60	50	6.50	10.8	Do. pref.	....	(56 bid 60 asked)			
14	11½	80+20c	7½	Agnew Surp.	5	13½	13½	13½	13½
108	105	7	6.6	Do. pref.	....	(110 bid — asked)			

Range 1941 High	Low	Div. R'te $	Nov.8 Y'ld %		Sales	Last Nov. 3	Week end. Nov. 10 H	L	Cl'se
.15	.15	.	...	For. Pr. Secs.	....	(— bid .25 asked)			
16½	10½	1	6.2	Foundation Co.	200	15½	16	15½	16
12	4½	.	...	Fraser Cos.	10	12	12	12	12
13	5½	.	...	Do. Vot. Tr.	1274	12	12½	12	12½
.50	.50	.	...	Freiman	....	(.50 bid — asked)			
47	41	‡3	...	Do. pref.	....	(50 bid — asked)			
9½	5½	‡55c	...	Gatineau Pwr.	95	6	6	6	6
90	69	5	6.7	Do. pref.	85	74	75	74	74½
95½	75	5.50	7	Do. 5½% pref.	80	79½	79	78	78
1.25	.15	.	...	Do. Rights	....	(— bid 1.00 asked)			
7½	4½	.	...	Gen. St. Wares	95	6	5½	5½	5½

Range 1941 High	Low	Div. R'te $	Nov.8 Y'ld %		Sales	Last Nov. 3	Week end. Nov. 10 H	L	Cl'se
2½	1½	.	...	St. Law. Corp.	135	2	2	2	2
18	13	1	6.4	Do. (A)	290	15½	15½	15½	15½
22	19	1+50c	6.9	St. Law. Flour	....	(20 bid — asked)			
115	110	7	6.1	Do. pref.	....	(115 bid — asked)			
43	31	2	4.9	St. Law. Pap. p	29	40½	41	41	41
12½	8	‡1.25	...	Stand. Chem.	....	(11 bid 12 asked)			
5	1	.	...	Stand. Clay	....	(2 bid 2½ asked)			
.90	.50	.	...	St. Pav. & Mat.	....	(— bid .85 asked)			
5	2½	‡62½c	...	Do. pref.	100	4	4	4	4
4	2½	20c	...	Stand. Radio	1447	3½	3½	3	3½
25	18	60+60c	6	Stedman Bros.	10	20½	20½	20½	20½
70	59½	3	4.5	Steel of Can.	309	66½	66½	66	66½

Mining Stocks

Week Ending November 10.

Par Val.	Range 1941 High	Low	Company	Sales	Close Nov. 3 (or last)	High for week	Low for week	Close Nov.10
1	.04	.02½	Norgold	1,000	.03½	.04	.04	.04
No	.99	.25	Normetals	30,935	.81	.83	.80	.85
1	5.00	3.75	Northern Empire	......	(2.50 bid	3.50 asked)		
1	1.88	.50	O'Brien	13,700	1.03	1.05	.99	1.00
1	.18	.09	Omega	4,800	.09	.10½	.10	.10
1	.15	.10	Ontario Nickel	72,000	.11½	.13	.11	.11
1	.09	.04	Osisko	......	(.03½ bid	.06 asked)		
			P, Q, R					
No	1.65	.96	Pamour	1,400	1.08	1.10	1.07	1.09
1	.08½	.02	Pandora	1,000	.05	.05	.05	.05
1	3.00	2.25	Pato Cons. G.	......	(2.90 bid	3.00 asked)		

Vancouver Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close Nov. 3 (or last)	High for week	Low for week	Close Nov.10
1	.10	.03½	Pacific Nickel	......	(.06½ bid	.08 asked)		
1	2.00	1.26	Pend Oreille	250	1.70	1.75	1.60	1.75
1	2.55	1.95	Pioneer Gold	2,240	2.12	2.15	2.10	2.15
No	.03½	.01½	Premier Border	......	(.01 bid	.01½ asked)		
1	.97	.67	Premier Gold	2,300	.70	.70	.67	.70
No	.63	.44	Privateer Mines	3,500	.47	.48	.48	.48
1	.02½	.01½	Quatsino Copper	......	(.01½ bid	.... asked)		
1	.37	.10	Reeves McDonald	1,000	.30	.26	.26	.26
1	.03	.01	Relief Arlington	5,000	.01½	.01½	.01½	.01½
1	.13	.10	Reno Gold	2,000	.12	.12	.12	.12
1	*.06½	.04	Sally Mines	......	(.... bid	.... asked)		
50c.	.02½	.01	Salmon Gold	......	(.00½ bid	.01½ asked)		
50c.	1.00	.72	Sheep Creek	1,000	.88	.88	.88	.88
1	.85	.65	Silbak Premier	......	(.70 bid	.... asked)		
No	.00½	.00½	Silvercrest	......	(.... bid	.... asked)		
1	*.05	.05	Sunloch	......	(.... bid	.... asked)		
50c.	.15	.10	Surf Inlet	......	(.... bid	.12 asked)		
No	.02	.02	Taylor Bridge	......	(.02½ bid	.... asked)		
20c.	.00½	.00½	Wellington	......	(.00½ May 16)			
50c.	*.00½	.00½	Wesko	......	(.... bid	.... asked)		
1	.02	.00½	Whitewater	......	(.01½ bid	.01½ asked)		
No	.08	.04½	Ymir Yankee Girl	......	(.04 bid	.06 asked)		

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Nov. 3 (or last)	High for week	Low for week	Close Nov.10
1	.09½	.05	Alta. Pac. Cons.	......	(.06½ bid	.... asked)		
No	.83	.46	Anglo Canadian	400	.57	.56	.56	.56
No	.08½	.03½	Anaconda	......	(.03 bid	.... asked)		
No	.07	.04	Brit. Dominion	......	(.07 bid	.07 asked)		
No	.07½	.05	Brown Oil	......	(.... bid	.... asked)		
No	1.50	1.01	Calgary & Ed.	855	1.20	1.30	1.17	1.25
1	.26	.14	Calmont	......	(.15 bid	.... asked)		
No	.28	.18	Commoil	......	(.21 bid	.... asked)		
No	.28	.19	Commonwealth	......	(.25 bid	.30 asked)		
No	.30	.20	Dalhousie	......	(.21 bid	.... asked)		
No	.16	.13½	Davies Pete	......	(.12½ bid	.... asked)		
No	.04	.02	East Crest	......	(.... bid	.... asked)		
No	.36½	.21	Federated Petroleum	......	(.... bid	.... asked)		
No	.85	.41	Foothills	......	(.64 bid	.... asked)		
No	.16	.07	High Sarcee	700	.10	.13	.13	.13
No	2.66	1.50	Home Oil	1,000	2.15	2.35	2.20	2.35
No	.01½	.01	Madison	......	(.... bid	.01½ asked)		
No	.02	.01	Marjon Oil	......	(.01 bid	.... asked)		
No	.07	.04	McD. Segur Ex.	3,100	.04½	.04½	.04½	.04½
No	.05	.02	Mercury	1,500	.04½	.04	.03½	.04
No	.09	.04	Mill City Pete	......	(.06 bid	.08 asked)		
1	.20	.12	Model	......	(.16 bid	.... asked)		
25c.	.05½	.04	National Pete	......	(.05 bid	.... asked)		
1	*.05	.04	Nordon	......	(.... bid	.... asked)		
No	.75	.40	Okalta	......	(.38 bid	.45 asked)		
No	.04	.02	Pacalta Oil	......	(.02½ bid	.03½ asked)		
1	.26	.18	Pacific Petroleums	......	(.20 bid	.... asked)		
No	.15	.04½	Royal Canadian	......	(.04 bid	.05 asked)		
No	*.10½	.06	Royal Crest	......	(.... bid	.... asked)		
No	25.00	17.12	Royalite	20	19.00	20.50	20.00	20.00
No	.01½	.01	South End	......	(.01½ bid	.... asked)		
No	.25	.10	Southwest Pete	......	(.15 bid	.... asked)		
1	.05½	.02½	Spooner	......	(.02 bid	.... asked)		
25c.	.14	.10	Sunset Oil	......	(.08 bid	.... asked)		
25c.	.14	.10	Sunset Oil	......	(.08 bid	.... asked)		
No	.06	.03	United	......	(.03½ bid	.... asked)		

* Quotations for 1940.

Winnipeg Stocks

(Transactions from Nov. 3 to Nov. 8)

	Sales	High for period	Low for period	Close Nov. 8
Beaver Lumber, pref.	30	102.50	102.50	102.50
Federal Grain, pref.	7	34.50	34.50	34.50
Forty Four	300	.20	.20	.20
Great-West Life	7	195.00	195.00	195.00
Marvel Oils	500	.03	.03	.03
Nor. Can. Mortgage, units	14	6.40	6.40	6.40
Northern Trusts	100	7.50	7.50	7.50
United Grain Growers	32	10.75	10.50	10.50
Western Breweries	300	2.00	2.00	2.00
Western Steel	15	10.50	9.75	9.75

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Dom. Envelope, c.	8	8¼
Beav. Lumber	3	3½	Fed. Grain, c.	.35	1.25
Can. Indemnity	150	..	Grouped Inc.	..	4⅛
Can. Airways	1	..	Home Invest.	15½	..
Corr. P. Box	.60	..	Traders Bldg.	43	..
Cres. Cream., pf.	11	15	West. Grain, p.	5	9
Dom. Envelope, p.	96	100			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Nov. 11	Holiday			
Nov. 10	6,600	6,100	136,000	13,003
Nov. 8	5,600	3,200	87,000	13,000
Nov. 7	8,300	8,800	126,000	7,157
Nov. 6	7,200	7,800	148,000	5,420
Nov. 5	9,000	4,800	255,000	21,685

Government Bonds

Nov. 12, 1941 (Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
5	Nov. '41	100	100½	...
1½	May '42	100½	100¾	...
2	June '42	100½	101	.14
3	Oct. '42	101¾	102¼	.66
2½	June '43	101¾	102¼	1.10
5	Oct. '43	106½	106½	154
2	June '44	100¾	101¼	1.50
a2½	Jan. '44	98½	99¼‡	2.55
4½	Oct. '44	107½	107¾	1.76
2½	Nov. '44	102	102½	1.64
a2½	Aug. '45	98¾	99¼‡	2.74
a4	Oct. '45	104	104½	b1.60
2	Mar. '45	100½	101	1.68
2	Dec. '46	98¾	99½	2.15
4½	Feb. '46	109	109¾	2.09
3½	June '49	102¾	103½	b2.43
3½	Oct. '49	102½	103½	b2.34
3½	Nov. '51	101½	102½	b2.89
3½	Feb. '52	101½	102	♦3.00
a5	May '52	101¾	102¾‡	...
4	Oct. '52	105¾	106¾	b2.82
3	June '51	99½	100	3.09
3	Oct. '52	99½	99¾	3.04
3	June '55	99½	99¾	3.02
4½	Nov. '56	107	107¾	b2.82
4½	Nov. '57	107¾	108½	b2.94
3	June '58	99½	99¾	3.01
4½	Nov. '58	108¾	109½	b3.02
4½	Nov. '59	109½	110½	b3.06
a4	Oct. '60	105½	106‡	b3.22
a3½	Jan. '61	98½	99‡	3.32
3½	June '66	101½	101¾	b3.08
a3e	Jan. '67	95½	96‡	3.23
a3e	Nov. '68	95¾	96¼‡	3.17
†3	Perpet'l.	94½	95	3.16

Dominion Guarant'd Bonds
Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101½	.99
2½	Jan. '46	100½	101½	1.93
3	May '44	102¾	103½	1.54
3	Dec. '50	99½	100	3.00
3	Feb. '53	98½	99½	3.07
3	Jan. '59	98½	99	3.07
*4½	Sept. '51	116½	117½	2.50

%	Due	Bid	Ask.	Approx. Yld.
*4½	Feb. '56	117½	117¾	2.96
4½	July '57	117½	118½	3.01
*4½	June '55	119	120	2.94
5	Feb. '54	117½	118½	3.18
*5e	July '69	116½	117½	b.35
*5e	Oct. '69	120	121	b2.62
*5e	Feb. '70	119½	120½	b2.74
Grand Trunk Pacific Rly.:				
3	Jan. '62	100¾	102	2.86
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	91	93	3.85
3½	Aug. '49	94	96	3.85
3½	June '56	94	96	3.86
c4	Nov. '47	101	104	b2.93
c4½	Apr. '61	104½	106½	4.01
c5	Jan. '60	107½	109½	4.24
Nova Scotia:				
3	Jan. '52	96	98	3.42
3½	June '56	96	98	3.42
3½	Nov. '50	99	101	3.37
c4½	Sept. '52	107	109	b2.81
c4½	Nov. '60	110½	112½	3.58
c5	Mar. '60	117	119	3.57
Ontario:				
2½	May '45	99½	100½	2.35
3	Apr. '48	99½	100½	b2.94
3	Nov. '50	99	99½	3.06
3½	Nov. '51	100½	101	b3.10
3½	May '55	100½	101	b3.13
*4	June '62	108½	110½	3.29
*4½	June '50	109	110	3.15
*4½	Jan. '62	114	116	3.39
5	Oct. '48	110¾	111¾	3.09
*5	Dec. '60	121	123	3.35
5½	July '46	110¾	111½	2.84
Ont. Hydro Commission:				
3	Aug. '48	99½	100½	b2.94
3½	Feb. '53	100	101	b3.11
3½	Apr. '47	101½	102½	2.99
Prince Edward Island:				
4	Mar. '54	100	101½	3.84
Quebec:				
3	Nov. '47	97	98½	3.27
3½	Mar. '48	97	99	3.42

%	Due	Bid	Ask.	Approx. Yld.
3½	Mar. '59	95	97	3.73
4	Nov. '52	100½	102	b3.73
3¾	Feb. '55	98½	100	3.73
4½	Aug. '58	102	104	3.93
4½	Jan. '63	106	108	3.94
Alberta:				
4	Dec. '54	62	64	d
4½	Oct. '51	69	..	d
4½	Oct. '56	63	65	d
*5	Oct. '59	65	68	d
c5½	Apr. '52	66	69	d
6	Mar. '47	70½	72½	d
British Columbia:				
c4	Dec. '57	100	102	3.83
*4½	Jan. '51	106½	108½	3.41
c4½	Oct. '53	106	108	3.63
c5	Apr. '54	109½	111	3.83
5½	Feb. '45	104	106	3.83
6	Feb. '47	107	109	4.07
Manitoba:				
c4	Dec. '57	94½	96½	4.30
c4½	Dec. '56	98½	100	4.50
*5	Dec. '59	101	103	4.75
5½	Oct. '55	101	103	5.13
6	Apr. '47	102	104	5.13
Saskatchewan				
4	Sept. '54	77½	78½	6.40
4	Nov. '60	77	78½	5.80
c4½	Oct. '51	87	89	5.90
c4½	Mar. '60	83	85	5.80
5	Aug. '58	86	89	6.05
5½	Oct. '52	91	93	6.40
6	Mar. '52	93½	95½	6.61

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds. ♦Calculated to 1956 average maturity.

Unlisted Stocks

Nov. 11, 1941 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., pf.	39½	43½
Andian National	30½	31½
Anglo C. Tel., A	7¾	8½
Atlas Steel	20½	..
Barrymore, pfd.	30	..
Brant. Roof.	1¾	..
B. C. Pulp., c.	10	12½
Do., pfd.	65	70
B. C. Sugar	74	76½
B. C. Tel., 1st p.	111	114
Brown, pfd.	36¾	37¾
Burns & Co., A	5½	6½
Do., B	2	3
Can. Co-op. Wl.	8	..
Can. Indust., A	170	..
Can. Ing. Rand	75	77
Can. Mot. L.A.B.	2¾	..
Can. Tube, 1st p	84	..
Chase, A. W., p.	18½	20
Claude Neon, p.	3½	4½
Colonial Steam.	26	28½
Copeland Fl. un.	12	14
Colonial Realty	2	..
Dunlop T. p. $25	22	23
Easy Wash. p $10	10½	11½
Galt Brass, c.	8	..
Goderich Elev.	6¾	7½
Guelph Carp., c.	18	20
Gurney Fdry., p	1½	1¾
Hayes Steel, c.	14	16½
Hi'land Dairy, p	49	51
Homewood San.	100	108
Inglis, John	5	6
Ingram & Bell p	95	..
Kingst. Ship. un	32½	..
Do., com.	4½	..
Loblaw, Inc., c.	11½	13
Minn.&Ont. P. c	4¾	4¾
M'row Screw, p.	104	106
Do., com.	12½	..
Morrison B. un.	4½	6

	Bid	Ask.
Moirs, Ltd.	19½	21½
Mt. R. Hotel, c.	2¾	3¾
N. B. Tel., c.	10½	12½
Neilson, Wm. p.	100	..
N. Meth. Ldy. p	56	58½
Ont. Tobacco, p.	18	20
Pac. C. Term. c.	..	9
Prov. Paper, pf.	100½	103
Quinte Milk	2½	3½
Ruddy, E. L., p.	22	25
Stand. Fuel, p.	52½	56
Stedman, pf. $50	57	59½
Sutton Horsley	1	1½
Tor. Carpet, c.	40	..
Do., pfd.	65	70
Un. F. Co-op.	2¾	3½
Un. Steel, A pf.	22½	24½
Viceroy Mfg., c.	12½	..
Trusts & Loan Stocks:		
Brit. Mtge.	127	134
Brockville Tr.	42	..
Capital Tr.	30	32½
Comm. Fin., c.	3¾	..
Grey&Br. Tr. $50	43	..
Guaranty Trust.	100½	103½
Guelph & O. $50	51	54½
Indust. Mtge.	24	..
Lambton Loan	31	33½
Midland Loan	14	16
Premier Trust	..	42
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1¾	..
Traders Fin. A c	6	8
Do., A pfd.	74	79
Trusts & Gr. new	38	42
Victoria Trust	70½	75
Waterloo Trust	99	..
Insurance Stocks:		
Canada Life	350	385
Brit. Amer.	51½	53½

	Bid	Ask.
Canadian Fire	80	84
Confed. 30% pd.	130	135
Cons. Fire Cas.	3¾	..
Continental L.	35	40
Crown, fully pd.	265	285
Dominion Fire	135	145
D. of Can. Gen.	115	120
Empire, 25% pd.	5	6
Excelsior 38% pd	70	75
Federal, 25% pd.	51	..
Great-West Life	195	205
Halifax Fire	16½	18
Imperial Life	280	290
Manufac. Life	215	225
Monarch Life	33	35
National Life	..	19
Sov. L. 25% pd.	12½	..
Sun Life	285	305
Tor. General	4½	5
Wellington Fire.	58	..
Western Assce.	43	46
Theatre Stocks:		
Allen's, St. Cath., units	52	..
Loew's London p	2¾	3¾
Mansf. Theat. p.	28½	30
Para. Kitch., p.	50	..
Do., Oshawa, c	8	10
Investment Trust Shares:		
Can. Investors	4	5
Inv. Found. un.	42½	44½
Sec's. Hold., pf.	18½	20½
United Corp., A	20½	22½
Do., B	7	8
Power Issues:		
Can. W. N. Gas	26	..
Do., pfd.	101	103
Gt. Lakes Pr., p.	102½	105
Mtl. Is. Pwr., p.	40	..
Nor. Ont. Pr. p.	70	75

Unlisted Mines

Toronto Nov. 11, 1941

	Bid	Ask		Bid	Ask
Albany R			(new)	.10	.15
(old)	.03	.04	Dona P	.01	.01½
(new)	.08	.10	East Lac	..	.01
Amal K	.06	.07½	E'ward	.08	.11
Anoki	.03	.04	Elmos	.05	.08
Aquarius	.18	.20	Franco	.28	.33
Arjon	.04½	.05½	Galore	.01	.01½
Arm'tice	.12	.15	Gate P	..	.01
Argosy	.06	.08	Hayes C	.03¾	.04½
Area	.03	.04	G'drock	.12½	.14
Athona			Gilbec	.00½	.01
(old)	.01	.02	H'ridge	..	.08
(new)	.01½	.02½	Hoyle		
Barb La	.02	.03	(new)	.15½	.16½
Bilmac	..	.03	Hu P P	.05	.07
Brock	.09	.10	Hutch L	.01½	.02
Buf Bear	..	.03	Jasper	.02	.12
Ca Bous'	.02½	.04	Keora	.01	.02
Can Rad	.07	.09	Kenricia	.01	.02
Cent M	.02	.02½	Kewaga	.02	.03
Cheminis	.03½	.04½	Kiena	.01	.03
Coin La	.02½	.03½	Kirk Ga	.00¾	.01½
Cons Ch	.04	.06	Lacoma	.00½	.01
Crescent	..	.01	Laguerre	.29	.31
Crosc't	.08½	.10	Lk Duf	.16	.18
Dayton	.01	.02	Lk Gen	..	.11
Delpine	.11½	.13	Largold	.20	.23
Demp C	.01	.02	Lo Pete	.12	.17
Denovo	.10	.122	Magn C	.75	.80
De Santis			Magn L	.17	..

	Bid	Ask		Bid	Ask
Mart B	.02½	.03½	Polaris	..	.05½
Margar	.07	..	Prop'y	4.20	4.45
Mac Can	.03½	.04½	Presdor	.03¾	.04½
Mat Con	.22	.25	Que Man	.14	.16
McMar	..	.28	Rahn Lk	.01	.01½
Moff H			Rand M	.08	.10
(new)	.01½	.03	R L GS	.01	.02
Mooshla	.01½	.03	Ritoria	.02½	.03½
Mosher	.11	.13	Ribago		
McMan	.01½	.02½	(new)	..	.01
Nat Mal	.24	.26	Rou 'Or	.05	.08
New Au	.25	.28	S.A.G.A.	.80	1.00
Nick Of	.70	.85	Sach R	4.00	4.25
Norbeau	.15	.23	San Spec	..	.07
Nor 1940	.03	.05	Senore	..	.03
Nor Mol	.02	..	Sepha	.07	.08
New Mal	..	.18	Shenango		
Newbec	.01	.02	(new)	..	.18
Nu'lake	.11	.15	Sheldon	.04	.05½
Oklend	.04	.05½	Skyn L	.01½	.02
O'Le M	.03½	.04	Smelt G	.00¾	.01½
Opemis'	.04	.08	Springer	.19	.22
Oriole	..	.01	Stadac	.08	.11
Orpit	.09	.11	Thom L	.12	.14
Ossian	..	.01	Union M	.03	.04
Pascalis	.22½	.25	Tobico	.06	.08
Pontiac R			We R L	..	.01½
(old)	.02	.04	Treaty P	..	.05
Pelangio	.01	.02½	Wesley	.02	.03
Ph Mol	.01	.02½	Young D	.22	.24

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Nov. 11, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Nov. 11	Asked Nov. 11	Bid Nov. 4
▲†Alg. C. H.B.R.	5	'59	10½	12½	11
†Assoc. Tel. & T.	5½	'55	70½	73½	67
B. C. Power	4½	'60	100	102	99½
B. C. Tel.	4½	'61	105½	107½	105½
†Calgary Pwr.	5	'60	106	108	106
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	102	104	102
*Dom. Gas & El.	6½	'45	102	104	102
Gatineau Pwr.	5	'49	99½	101½	99½
*Do., A	3¾	'69	99½	101½	99
♦Do., B	3¾	'69	98½	100½	98
Gt. Lakes Pwr.	4½	'56	101½	103½	100½
Do.	5	'57	97½	100½	97½
*Int. Hydro-El.	6	'44	38	41	39
▲Inter. Power	6	'55	101½	...	101
L. St. Law. Pwr.	5	'55	99½	101½	99½
Macl'n-Que. Pr.	4	'59	98½	100½	98½
Mtl. L. H. & Pr.	3½	'56	103	105	103
Do.	3½	'73	101	103	101
Do.	3½	'63	101½	103½	101½
†Mtl. Tramways.	5	'41	97	99	97
†Do.	5	'55	69½	72½	69½
Nat. Lt. & Pwr.	6	'49	101½	...	101½
N. S. Lt. Pr.	4	'57	101	...	101
Ottawa L.H.&P.	4	'57	101	...	101
Ottawa V. Pwr.	5	'59	101	103	101
†Power Corp.	4½	'59	94½	97½	94½
Quebec Pwr.	4	'62	102	104	102
*Saguenay P.	4½	'66	107	109	107
♦Do., B	4½	'66	105½	107½	105½
St. Maurice Pr.	4½	'70	102½	104½	102½
Shaw. W. & Pr.	4	'61	102½	104½	102½
Do.	3½	'46	100	102	100
Do.	4	'69	102	104	102
Union Gas	4½	'50	102½	104½	102
*Twin C. R. Tr.	5½	'52	72½	75½	72
†United Secs.	5½	'52	42	45	41½
‡Wpg. El. ser. A.	5	'65	80	83	79
Do., B	5	'65	64½	67½	62½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	69½	72½	67
Do., C.O.D.	5	'53	69½	72½	67
Acadia Sugar	4½	'55	101½	...	101½
Do.	6	'54	98½	101½	98½
†Alta. Pa. Grain.	6	'46	103	...	101½
Algoma Steel	5	'48	103	106	103
Atlantic Sugar	4	'51	101	...	101
†B. C. Pulp & P.	6	'50	93½	96½	94
‡†Do.	7	'50	116	119	116
*Brown Co.	5½	'46	75	78	71½
Burns & Co.	5	'58	69	72	68½
Canada Cement	4½	'51	103½	105½	103½
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	101½	...	101½
Can. Steamships	5	'57	101	103	101
Can. Canners	4	'51	102	104	102
*Can. Int. Paper.	6	'49	105	107	105
‡Can. Locomotive	6	'53	94	97	94
‡†Candn. Vickers	6	'47	91½	94½	91
C. P. R.	3½	'51	96	98	95½
Do.	4	'49	99½	101½	99
Do.	6	'42	100½	102½	100½
Col. Steamships	6	'54	99	102	99
†Consol. Paper.	5½	'61	76	79	75
Dom. Coal	4½	'52	101½	103½	101½
Dom. Scott. Inv.	4	'52	95	..	95
Dom. Stl. & C.	6½	'55	104½	107½	104½
Dom. Tar	4½	'51	102½	104½	102½
Dom. Woollens.	6	'53	97½	100½	97
†Donnacona Pap.	4½	'56	81	84	80½
*Dryden Pap.	6	'49	100½	103½	100½
†East. Dairies	6	'49	82½	85½	83
Famous Players	4½	'51	99	101	99
†Federal Grain	6	'49	102	...	101½
†Fraser Cos.	6	'50	102	...	101½
Galt Brass	5	'50	91	..	91
Gen. Stl. Wares	4½	'52	100	102	99½
*Gt. L. Paper	5	'55	94	96	94½
*Gurney Fdry.	5½	'49	76	79	76
†Gypsum Lime	5½	'48	102	104	101½
Ham. By-Pr. C.	5	'55	102½	104½	102½
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100½	102½	100½
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	78½	81½	79
Ins. Ex. Bldg.	3	'51	44	47	43
*Inter. P. Nfld.	4½	'68	90	93	90
*Inv. Bond & Sh.	5	'47	43	46	43
†Kingston Elev.	6	'30	105½	107½	105
Lake St. J. P.	5½	'61	91	94	91
Do.	5	'61	69½	72½	69
Legare	6	'61	87	90	87
Maple L. M.	3	'58	78½	81½	78½
Man. Sugar	5	'60	101½	103½	100½
Massey-Harris	4½	'54	95½	98½	95½
McColl-Fron.	4½	'49	102	104	102½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

Nov. 11, 1941

Miscellaneous Stocks:	Bid Nov. 11	Asked Nov. 11	Bid Nov. 4
†Allens Tor. Th., p.	33½	35½	33½
Atlas Steel, pfd.	105	106	103
Brinton Peterboro Cpt.	39½	..	39
Brown Co., new com.	2.35	2.45	2.10
Can. Col. Airways	3	3¾	3
*Can. Gen. Rubber, pfd.	25	27	25½
Can. Mach., new c.	7	8	7½
C.P.R., 4% pfd. (par)	2	3	2½
Cap. Wirecloth, p.	21	23½	21½
Cawthra Apts., pfd.	1½	2½	1½
Corrug. Paperbox, c.	.75	.95	.75
Dom. Life, 70% pd.	160	185	160
Dover Industries	6½	6¾	6¾
†Fort W., Hotel, units	44	50	44½
Imperial Varnish, c.	9	10½	9½
Indust. Accept., 5% p.	71	74	71½
Inter. Util., 1.75 pfd.	14½	16	14
Do., 3.50 pfd.	38½	39	38
London & West. Trusts	34½	36	34
*Monarch Mtge. Inv. un.	.40	.50	.40
Murphy Paint, com.	9½	9¾	9½
Do., pfd.	88½	90	89½
Nat. Hosiery, pfd.	.75	1.00	.75
†N. Amer. Elevator, p.	75½	..	75
St. John Dry D., p.	99½	102	99½
Seal-o-Sac	.90	1.00	.75
Tip Top Tailors Inc., un.	12½	14	14
Traders Finance rts.	12¾	13½	12½
Waterloo Mfg., new c.	.55	.90	.50
Wentworth Radio, p.	2	3½	2½
West Can. Hydro, p.	10½	11½	10¾
West. Life, 10% pd.	8½	9½	8½

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate	Due	Bid Nov. 11	Asked Nov. 11	Bid Nov. 4
McCormicks	4	'52	95½	98½	95½
Do.	4½	'52	103	...	103
Mercury Mills	5	'59	95½	98½	95½
Mersey Paper	5	'57	98	101	97½
†Do.	6	'49	99½	101½	99
*M. & O. Paper	5	'60	95½	97½	96
Moirs Ltd.	6	'53	89	92	89
‡Mtrl. Drydocks.	6	'48	85	..	83
Montreal Apts.	4	'54	54	57	53½
Nat. Grocers	4	'47	101	...	101
N. S. Stl. Coal	3½	'63	83	86	83
Price Bros.	5	'57	98½	101½	98
Do.	4	'57	86	89	88
*Prov. Paper	5½	'47	104½	...	105
Reliance Grain.	4½	'52	96	99	96
†Restigouche Co.	6	'48	101½	...	101
Rolland Paper	4½	'51	102½	104½	102½
Ruddy, E. L.	6½	'48	101	103	101
Silv. Dairies	6	'66	93	96	93
Simpsons, Ltd.	4½	'51	102	104	101½
Smith, Howard.	4½	'51	103½	105½	103½
Stand. Lime	6	'44	97	..	97
Sterling Coal	6	'45	98	101	97½
Stop Shop	3	'47	57½	60½	58
United Corp.	5	'53	93	96	92½
*United Gas	5½	'48	104½	107½	104½
United Gr. Grs.	5	'48	98	101	97
†Western Grain	6	'49	64½	67½	64½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.20	2.41
Can. Amer. Trust	3.00	3.45
Can. Inter. Trust	4.00	4.75
Can. Invest. Fund	3.15	3.50
Corporate Investors	5.54	6.00
Trans-Canada	...	10.00

Municipal Bonds

Nov. 11, 1941

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	116.00	3.85
Hamilton	5	1950	109.25	112.25	3.35
Montreal	5	1945	92.00	95.00	6.75
Ottawa	4½	1945	104.65	107.15	2.50
†Quebec	5	1959	106.00	109.00	4.35
Saint John	5	1950	104.00	106.00	4.30
†Toronto	4½	1955	110.00	113.50	3.35
†Vancouver	5	1950	104.00	106.00	3.85
Winnipeg	5	1944	102.00	104.00	3.81

†Payable Can. & N.Y.

Annual Meetings

Company	Place
1941	
Nov. 20—Algoma Cen. Term.*	London, Eng.
Nov. 20—Algoma C. & H. B. Rly.†	London, Eng.
Nov. 20—Ogilvie Flour Mills	Montreal
Nov. 21—O'Brien Gold Mines	Montreal
Nov. 26—Imperial Bank	Toronto
Nov. 26—Massey-Harris Co.‡	Toronto
Nov. 27—Massey-Harris Co.§	Toronto
Nov. 27—Mercantile & Fwdg.▲	Montreal
Nov. 28—Lapa Cad. Gold Mines	Toronto
Nov. 28—Montreal Apts.*	Montreal
Dec. 1—Bank of Montreal	Montreal
Dec. 9—Can. Bank of Commerce	Toronto
Dec. 9—Montreal Tramways•	Montreal
Dec. 10—Dominion Bank	Toronto
Dec. 10—Montreal Tramways■	Montreal
1942	
Jan. 8—Provincial Bank	Montreal
Jan. 12—Central Man. Mines	Winnipeg

*Bondholders. †Stock and bondholders. ‡Pref. shareholders. §Common. ▲Special. •1st mtge. bondholders. ■Gen. mtge. bondholders.

Mining Dividends

	Rate	Nov. 10	Yield %
Anglo-Huronian	▲10c	2.55	..
Aunor Gold	16c	1.70	9.4
Beattie Gold	16c	1.06	15.1
Berens River	†3c	1.00	..
Bralorne	80c+40c	10.50	*11.4
Broulan Porc.	12c	.68	17.6
Buffalo Ankerite	▲30c	3.75	..
Bulolo Gold	$3	16.75	17.9
Can. Malartic	8c	.50	16
Cariboo Gold	16c+8c	2.25	*10.6
Central Patricia	16c+6c	1.42	*15.5
Chesterville	10c	1.65	..
Cochenour Willans	3c	.61	..
Coniagas	▲17½c	1.27	..
Coniaurum	16c	1.14	14
Cons. Smelters	$1+$1.50	38.75	*6.5
Delnite	▲3c	.65	..
Dome Mines	$2	17.12	11.6
East Malartic	▲20c	2.10	..
Falconbridge	20c	3.55	..
Francoeur Gold	▲4c	.41	..
Goldale	‡2c	.12½	..
Gold Belt	▲2c	.20	..
Grandview	▲1½c	.19	..
Gunnar Gold	6c	.20	..
Hallnor	60c	3.50	17.1
Hard Rock	▲5c	.67	..
Hedley Mascot	8c	.45	17.8
Hollinger	65c+45c	10.75	*10.2
Howey Gold	▲4c	.19	..
Hudson Bay	$2	27.00	7.4
Inspiration	†2c	.35	..
Inter. Nickel, com.	$2	33.50	6
Island Mountain	▲18c	1.25	..
Jason	†2c	.31	..
Kerr Addison	▲27c	4.40	..
Kerr Lake	‡10c	.20	..
Kirkland Lake	10c+1c	.62	*17.7
Kootenay Belle	▲8c	.20	..
Lamaque Gold	40c+15c	4.00	*13.7
Lake Shore	$1.40	11.12	12.5
Leitch	8c	.41	19.4
Little Long Lac	▲10c	1.53	..
Macassa	32c+3c	3.20	*10.9
Madsen R. Lake	▲3c	.57	..
Malartic Gold	†5c	2.20	..
McGillivray Coal	‡3c+1c	.25	..
McKenzie Red L.	12c	1.06	11.3
Moneta	8c	.30	..
McIntyre-Porc.	$2.22+$1.11	46.00	*6.5
MacLeod-Cockshutt	10c	2.15	..
Naybob Gold	4c	.23	..
Negus	†5c	.55	..
Nipissing	15c	1.24	12.1
Noranda	$4	50.25	7.9
North Empire	▲20c	3.75	..
O'Brien Gold	10c	1.00	..
Pamour Porc.	18c	1.09	16.5
Pato Cons.	20c+2c	2.85	*7.7
Pend Oreille	▲6c	1.75	..
Perron Gold	16c+9c	1.50	*16.6
Pioneer, B.C.	40c	2.10	19
Pickle Crow	40c	2.65	15
Placer Develop.	$1.20	9.00	13.3
Premier	11c	.70	15.7
Preston E. Dome	20c+10c	3.05	*9.8
Privateer Mines	12c+4c	.48	..
Quebec Gold	2c	.20	..
Relief Arlington	3c	.01¼	..
San Antonio	14c+6c	2.22	*9
Sheep Creek	16c	.88	18.2
Sherritt Gordon	▲5c	.97	..
Sigma Mines	▲30c	6.45	..
Silbak Premier	16c	.73	21.8
Siscoe	▲8½c	.53	..
Sturgeon River	4c	.13¾	..
Sudbury Basin	▲2½c	1.60	..
Sullivan Cons.	▲5½c	.63	..
Surf Inlet	▲2c	.10	..
Sylvanite Gold	28c	2.05	13.6
Teck-Hughes	40c	2.50	16
Toburn	12c+6c	1.19	*15.1
Upper Canada	▲11c	1.25	..
Ventures	▲10c	4.10	..
Waite Amulet	40c	4.85	..
Wendigo	3c	.16	..
Wright-Harg.	40c+20c	2.95	*20.6
Ymir Yankee	2c	.04½	..

‡Paid in 1940. ▲Paid or declared payable in 1941 to date. *Yield including bonus. †Initial.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, p.	$1.75	Jan. 2	Dec. 15
Amalgamated Oils	■°4c	Nov. 15	Oct. 31
Assoc. Tele., pfd.	†56c	Nov. 15	Nov. 1
Do., $6 pref.	†48c	Nov. 15	Nov. 1
Aluminum, com.	$2	Dec. 5	Nov. 15
Do., special	$2	Dec. 5	Nov. 15
Do., pref.	†$1.50	Dec. 1	Nov. 8
Aunor Gold	4c	Dec. 1	Nov. 15
Anglo Can. Tel., A	15c	Dec. 1	Nov. 15
Bk. Can. Nationale	$2	Dec. 1	Nov. 15
Bank of Montreal	$2	Dec 1	Oct. 31
Bank of Toronto	$2.50	Dec. 1	Nov. 15
Berens River	°3c	Dec. 3	Dec. 5
Brazilian Tr., ord.	40c	Dec. 2	Oct. 15
Bathurst Pr., A	25c	Dec. 1	Nov. 14
Do., extra	25c	Dec. 1	Nov. 14
Belding-Cort.	$1	Jan. 2	Dec. 15
Do., pef.	$1.75	Jan. 2	Dec. 15
Can. W. & Cable, A	■$1	Dec. 15	Nov. 30
Do., B	■50c	Dec. 15	Nov. 30
Do., pef.	■$1.62½	Dec. 15	Nov. 30
Can. Breweries, p.	75c	Jan. 2	Dec. 15
Can. Gen. Elec.	$2	Jan. 2	Dec. 13
Can. For. Inv., pfd.	$2	Jan. 1	Nov. 15
Can. Ind. Alc., A, B	15c	Dec. 1	Nov. 20
Cel. of Amer. pfd.	†$1.75	Jan. 1/42	Dec. 16
Do., part. pfd.	†$3.50	Dec. 31	Dec. 16
Cons. D. Std. Sec. p	37½c	Dec. 15	Nov. 29
Can. Oil, c.	12½c	Nov. 15	Nov. 1
Do., extra	12½c	Nov. 15	Nov. 1
Do., bonus	20c	Dec. 15	Dec. 1
Can. Forgings, A	37½c	Dec. 15	Dec. 1
Confederation Life	$1.50	Dec. 31	Dec. 25
Commonw'th. Inter.	4c	Nov. 15	Oct. 15
Crown Cork	50c	Nov. 15	Oct. 31
Crow's N. Coal	■$1.50	Dec. 2	Nov. 7
Cosmos Imperial	30c	Nov. 15	Oct. 31
Commoil	1c	Nov 27	Nov. 12
Corr. Pap. Box, pf.	$1.75	Dec. 1	Nov. 15
Do., arrears	$1.75	Dec. 1	Nov. 15
Can. Dom. Sugar	■37½c	Dec. 1	Nov. 15
Canada Bud	20c	Dec. 11	Dec. 5
Canada Dry	†15c	Dec. 9	Nov. 24
Do., extra	†40c	Dec. 9	Nov. 24
Can. Inger. Rand	$1	Dec. 4	Nov. 15
Chase, A. W., pf.	50c	Nov. 10	Oct. 31
Cons. Bakeries	15c	Jan. 2	Dec. 18
Corporate Inv., A, B	5c	Nov. 15	Oct. 30
Dom. Foundries, p.	$1.50	Dec. 1	Nov. 20
Dom. Scot. Inv., pfd.	50c	Dec. 1	Nov. 20
Dom. Bridge	30c	Nov. 25	Oct. 31
Dom. & Anglo In. p	$1.25	Dec. 1	Nov. 15
Electrolux	†20c	Dec. 15	Nov. 15
Falconbridge N.	5c	Dec. 20	Nov. 14
Gen. Steel W., p.	$1.75	Nov. 20	Nov. 8
Granby Cons. M.	†■15c	Dec. 1	Nov. 14
Hedley Mascot	2c	Nov. 15	Oct. 24
Hallnor Mines	15c	Dec. 1	Nov. 15
Hollinger Cons.	5c	Dec. 2	Nov. 18
Do., extra	2c	Dec. 2	Nov. 18
Inter. Nickel, c.	†50c	Dec. 31	Dec. 1
Int. Paper, p. arrears	†$5	Nov. 15	Nov. 7
Island Mtn. M.	10c	Dec. 15	Nov. 28
Lake of W. Mill.	30c	Dec. 1	Nov. 15
Do., pref.	$1.75	Dec. 1	Nov. 15
Leitch Gold	2c	Nov. 15	Oct. 31
Loblaw Groc. Inc.	†25c	Dec. 1	Nov. 14
Langley's, pref.	■50c	Dec. 12	Dec. 3
Loblaw Groc., A, B	25c	Dec. 1	Nov. 10
Do., extra	12½c	Dec. 1	Nov. 10
Mtl. Loan & Mtge.	31¼c	Dec. 15	Nov. 13
Mitchell, Robt.	$1	Dec. 15	Dec. 1
MacL.-Cockshutt	10c	Dec. 1	Nov. 20
Madsen R. Lake	3c	Dec. 1	Nov. 10
McIntyre Porc.	55½c	Dec. 1	Nov. 1
Do., extra	$1.11	Jan. 2	Nov. 1
McKen. R. Lake	3c	Dec. 15	Dec. 1
Melchers Dist., p.	30c	Dec. 15	Dec. 1
N. S. L. & Pwr., pf.	$1.50	Dec. 1	Nov. 15
Nat. Steel Car	50c	Jan. 15	Dec. 31
Noranda Mines	$1	Dec. 15	Nov. 20
Nipissing Mines	■15c	Dec. 11	Nov. 15
Nat. Biscuit	†40c	Jan. 15	Dec. 16
Ogilvie Flour, p.	$1.75	Dec. 1	Nov. 15
Do. pref.	†$1.75	Nov. 29	Nov. 14
Ont. Steel	25c	Nov. 15	Nov. 3
Do., pref.	$1.75	Nov. 15	Nov. 3
Ont. Silknit, pfd.	$1	Nov. 15	Nov. 1
Pamour Porc.	6c	Dec. 1	Nov. 15
Perron Gold	■4c	Dec. 20	Dec. 1
Do., extra	■6c	Dec. 20	Dec. 1
Penmans	75c	Nov. 15	Nov. 5
Quebec Gold	2c	Dec. 15	Dec 1
Quebec Power	25c	Nov. 25	Oct. 24
Reliance Grain, p.	$1.62½	Dec. 15	Nov. 30
Do., arrears	$1.62½	Dec. 15	Nov. 30
Remington Rand	†25c	Jan. 2	Dec. 10
Do., pref.	†$1.12½	Jan. 2	Dec. 10
Rolland Paper	15c	Nov. 15	Nov. 5
Do., pref.	$1.50	Dec. 1	Nov. 15
Regent Knit., pfd.	40c	Dec. 1	Nov. 15
Royal Bank	$2	Dec. 1	Oct. 31
Real Est. Loan	$1	Jan. 2	Dec. 17
South. Can. Pwr., c.	20c	Nov. 15	Oct. 31
Shawinigan W.	22c	Nov. 25	Oct. 24
Sullivan Cons.	2½c	Nov. 15	Oct. 15
Sherritt Gordon	5c	Dec. 15	Oct. 31
Stuart, D. A. Oil, p.	20c	Dec. 1	Nov. 15
Siscoe Gold	2c	Dec. 15	Nov. 15
Sylvanite Gold	7c	Dec. 27	Nov. 8
Toburn Gold	3c	Nov. 22	Oct. 22
Do., extra	1c	Nov. 22	Oct. 22
Toronto Elev., pref.	66c	Dec. 6	Nov. 25
Tip T. Tailors, Inc p	$1.65	Nov. 15	Oct. 31
Unit. Amuse., A, B	40c	Nov. 29	Nov. 15
Un. Gold Eq., st. c.	6c	Dec. 30	Dec. 19
Un. Bond & Share	15c	Jan. 15/42	Dec. 30

Special Payments May Total $60 Millions

Three Different Government Subsidies Payable to Western Wheat Farmers — Considerable Money Already Paid

From Our Own Correspondent

WINNIPEG.—Acreage payments to western farmers to a total extent of $60 millions, and perhaps more, are now either made, or to be made to western farmers through the Dominion Department of Agriculture. Any exact calculation of the total will be impracticable, except after the government releases figures of amounts paid under three plans.

The first is the wheat acreage reduction plan. Under this farmers who seeded to wheat in 1941 a smaller acreage than in 1940 became entitled to $4 an acre on land summer fallowed, and $2 per acre on land transferred to coarse grains or grass, with an additional $2 per acre to be paid in 1942 if still used for other crops.

Parliament voted $35 millions to cover estimated cost of such grants. It is generally believed that the total amount actually payable will reach $30 millions, but probably not much more. A good deal of this money has actually been paid out.

For Crop Failure Areas

Next there is the Prairie Farm Assistance Act, which contains provisions for acreage payments in crop failure areas and in emergency years. Quite clearly the West in 1941 contained crop failure areas within the meaning of the Act—that is, a sufficient number of townships in which the average yield of wheat was less than five bushels per acre. In such areas, boundaries of which have to be defined by the Minister of Agriculture, farmers receive $2.50 per acre on half their cultivated acreage, up to 200 acres, with a minimum payment of $200 each, and a maximum of $500.

In emergency years—and any year may be declared an emergency year during which the average closing price of wheat on the Winnipeg market is less than 80 cents a bushel—acreage payments may be made to any farmer operating in a township where the average yield of wheat is 12 bushels per acre or less.

Up to five bushels per acre the payment is at the rate of $2 per acre, and from 5 to 8 bushels at the rate of $1.50 per acre. But in townships with yields from 8 to 12 bushels per acre payments depend not only on township yields, but also on the price of wheat. For every cent that the average price is below 80 cents, 10 cents per acre is payable, up to a maximum of $1 per acre.

As the average price this year was actually 73¼ cents per bushel, 70 cents per acre would seem to be the indicated payment this year. In each case payments are made on one half the cultivated acreage of each farm, up to, but not exceeding 200 acres.

Hon. Mr. Gardiner, Minister of Agriculture, has announced that 1941 is to be declared an emergency year under the Act. The amount of $10 millions has been suggested as representing payments to be made under the Prairie Farm Assistance Act. That is as close an approximation as is at present possible.

The restrictions which make the township yield a governing factor, and which limit payments on any one farm to 200 acres, introduce difficulties into any calculations based on ordinary crop reports, except on the basis of claims filed by individual farmers and the rulings of the department with respect to different crop yields.

Price Control Payments

The third series of payments is to be made under the supplementary acreage bonus scheme announced by the government in connection with the price control policy. The rate of payment is to be 75 cents per acre on half the cultivated acreage of a farm, up to 200 acres. The total may reach $20 millions.

Practically every farmer in the West will participate in the last mentioned payments. Perhaps 80% of the total number of farmers will get payments under the wheat acreage reduction plan, and from 40% to 45% under the Prairie Farm Assistance Act.

The wheat acreage reduction plan does not discriminate against larger farmers as do the other two plans, which apply to a maximum of 200 acres. To some extent larger farmers were unable to take as much advantage of its provisions as were smaller farmers. Many large farms are in areas not suitable for coarse grains, and were already being operated so that summer fallowing was carried on to the maximum economic extent, and consequently their owners were not attracted by the rewards for reducing wheat acreage.

The benefits under the other two plans may seem important to farmers operating half section farms, and even farms up to 480 acres in extent. But farmers operating on a larger scale are inclined to regard benefits applicable to 200 acres only as discriminating against them in favor of smaller farmers.

Acme Gas Has New Producer

Shareholders of Acme Gas & Oil Co. and Oil Selections Ltd. are currently being informed that the No. 2 well in the Vermilion field was completed Nov. 4 last. Pumping equipment was installed and first production was obtained the following day. In the 12 hours following completion, the well produced 40 bbl.; in the three succeeding 24-hour periods the well produced 105, 70 and 75 bbl. respectively. Tubing and other equipment was dropped in this well which caused considerable delay in completion.

The No. 1 well on this acreage originally blew in with a very large gas flow, which the contractors were unable to control, resulting in the loss of the well. An agreement has been entered into to drill another well to replace this on a site still to be selected.

Acme Gas and Oil Selections, along with Ajax Oil and Gas and Anglo-American Royalties hold 82½% interest in acreage in the Vermilion-Battleview area. The 82½% interest is shared as follows: Acme Gas 11-20; Oil Selections and Ajax Oils 4-20 each and Anglo-American Royalties 1-20.

License Demands Must Be Doubled

Thirty thousand Wartime Prices and Trade Board window transfers, indicating the retailer displaying it has received his license, were mailed from Ottawa this week to Canadian businessmen. The Board reports applications for licenses are being received at the rate of 5,000 every 24 hours.

C. R. Morphy, director of licensing, warns that it takes at least 10 days from time of mailing until the businessman receives his window certificate and license identification card, and applications must be stepped up to 10,000 per day between now and Nov. 20 to cover the ground.

Dividends Declared (Cont'd)

United Corp., A	37c	Nov. 15	Oct. 15
United Fuel, p. A	75c	Jan. 2	Dec. 20
Union Gas	20c	Dec. 15	Nov. 20
Upper Can. Mines	3c	Dec. 10	Nov. 20
Western Steel	*50c	Dec. 1	Nov. 15
Waite Amulet M.	20c	Dec. 10	Nov. 15
Walker-Good.	$1	Dec. 15	Nov. 21
Do., pref.	25c	Dec. 15	Nov. 21
Wr.-Hargreaves	10c	Jan. 2	Nov. 26
Do., extra	5c	Jan. 2	Nov. 26
Walkerville Brew.	5c	Nov. 25	Nov. 15

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board.
*Initial.

Flour Output Drops Sharply

Export Trade Sags After Spurt of Preceding Four Months

From Our Own Correspondent

MONTREAL.—Output of flour of Canadian mills in September totalled 1.6 million bbls., a decrease of 204,229 bbls. from the preceding month and an increase of 12,421 bbls. over September, 1940.

September output was at the rate of 74.6% of capacity, compared with 82.3% in August and 76.2% in September of the previous year.

In the first nine months of the year flour output totalled 15.6 million bbls., against 11.7 million bbls. in the same period of 1940 and 11.3 million bbls. in the corresponding period of 1939.

Flour Exports Drop

Exports of wheat flour dropped sharply during September. In the preceding four months exports, principally to the United Kingdom, were running at record levels. September shipments dropped to 661,014 bbls. from 1.4 million bbls. in August and 1.9 million bbls. in July.

Following are figures of wheat flour production in the current year and in 1940:

	1941 Bbls.	1940 Bbls.
December	....	1,076,132
November	....	1,588,428
October	....	1,872,514
September	1,647,910	1,635,489
August	1,852,139	1,291,451
July	2,116,896	1,122,975
June	2,117,976	1,170,238
May	2,121,397	1,282,906
April	1,661,000	1,344,293
March	1,477,000	1,257,034
February	1,462,187	1,246,798
January	1,177,369	1,266,303
9 months	15,633,874	11,717,847
12 months	....	16,254,921

G. R. COTTRELLE RETIRES AS PRESIDENT OF WESTERN CANADA FLOUR MILLS

D. I. Walker Elected President

At the Annual General Meeting of Shareholders of Western Canada Flour Mills Company, Limited, held on November 10th, 1941, Mr. G. R. Cottrelle retired as President of the Company. Mr. Cottrelle, who a year ago accepted the post of Oil Controller for Canada, informed the Meeting that when he accepted the Government position, he had hoped that he would be able to carry on as Chief Executive Officer of the Company, but the multiple and increasing responsibilities of the Federal post in recent months made it apparent that it would not be fair to the Company or himself to carry on, and therefore he did not desire to offer his name for re-election as a Director of the Company. This announcement was received with regret by the shareholders, and an appropriate resolution expressing the appreciation of the shareholders for the services rendered to the Company by Mr. Cottrelle in the past three years, was unanimously recorded. Mr. D. I. Walker, General Manager of the Company, was elected a Director to fill the vacancy created by the resignation of Mr. Cottrelle. The other Directors were re-elected and the report and statements adopted.

At the Meeting of the Directors held after the Annual Meeting, Mr. D. I. Walker was elected President of the Company and Mr. R. H. B. Ker and Mr. J. J. Page were re-elected Vice-Presidents.

Mr. D. I. Walker who has been with Western Canada Flour Mills for over thirty years will continue as General Manager and brings a wide knowledge of all departments of the business to his new post as chief executive officer of the Company.

Week in Wheat

Grain Markets Dull Pending Price News

Markets Also Await News of Reported Deal to Sell 150 Million Bushels of Wheat Futures to British Cereals Import Committee

From Our Own Correspondent

WINNIPEG.—Grain markets continued on a fairly dull basis during the past week. Trading interest continues to be light pending complete clarification of the government's new price policy as it affects grain and details of application of the plan for absorbing freight costs on feed grains shipped from the head of the lakes to eastern Canada. News is also awaited of the deal reported to be pending last week, for the sale of 150 million bushels of wheat futures by the Canadian wheat board to the British cereals import committee. First reports published in that connection, later said to lack confirmation, was that a large part of the wheat in question was for account of Russia. Whether such sales as are made to Russia are to be handled as suggested has not been made clear, but it is obvious that if such is the case they will not be reflected in market transactions.

Ask New Policy

Delegates to the annual meeting of the Saskatchewan Wheat Pool decided this week to organize a delegation, 400 strong, to present to Ottawa demands of the western farmers on grain. Signatures are to be sought to a petition embodying a number of demands, and those signing will be asked for contributions in order to make the delegation self supporting. The programme advocated runs counter to the new price control policy of the Dominion government in that it opposes any ceiling on prices of agricultural products at levels lower than the average prices of 1926-1929, or $1.41 per bushel for wheat, 60 cents for oats, 73 cents for barley, and $2.07 for flax. However, no outright demand for these prices is made except in the case of coarse grains, for which it is advocated that the market should be closed, and trading conducted by the Canadian Wheat Board on the basis of such prices.

Would Amend Act

In connection with wheat a minimum initial price of $1 per bushel on deliveries to the Canadian Wheat Board will be demanded, instead of the present level of 70 cents a bushel, basis one northern at the head of the lakes. Demand in connection with wheat is less extreme than might appear at first sight, for the policy advocated appears to refer to the crop to be seeded in 1942. And it is recommended that farmers' deliveries be restricted to quantities which can be exported or consumed in Canada within the year. If that quantity should be 220 million bushels as was estimated for the current crop year, such a price increase would mean another 66 million dollars. It would, however, apparently be offset although the published statements issued from the meeting do not make that quite clear, by discontinuance of special acreage payments made or about to be made by the Dominion government, approximately 50 million dollars under the wheat acreage reduction plan and the special payments announced in connection with the price control plan of the government.

Wheat Minimum

However, the programme to be petitioned for calls for additional payments subsequent to the initial payment of unspecified amounts, part of which at least, would be derived from selling wheat for domestic consumption in Canada at the parity price level of $1.41 per bushel. Amendment of the prairie farm assistance act is to be asked for in order to provide a crop insurance scheme, independent of the price of wheat or the extent of crop failure areas, for those who produce little or no crop.

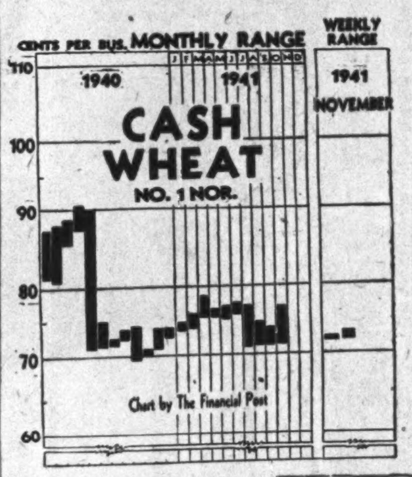
Quotas Enlarged

The Canadian Wheat Board is daily enlarging wheat delivery quotas at individual shipping points in western Canada. At a large number of points the quota is now 15 bushels per acre, and at a considerable number of points 20 bushels. At some of the latter points there may be no farmers with such a quantity of wheat to deliver, and the larger quota really amounts to lifting delivery restrictions entirely.

Where larger individual quotas are set the Wheat Board refuses permission to the railways to supply cars for loading out wheat, the intention being to make allocation of railway cars to points most in need of relief to provide additional space to enable the minimum basic quota of 12 bushels per acre to be delivered.

The acreage in question is not the acreage actually seeded to wheat by a farmer in 1941, but rather the basic wheat acreage, which is a calculated amount, in most cases 65% of the number of acres seeded to wheat in 1940.

Wheat Prices



Cash Quotations

Nov. 4, 1941

Wheat:	For Week Nov. 10 High	For Week Nov. 10 Low	Prev. Week High	Prev. Week Low
1 Hard	.73⅛	.72⅝	.72½	.72⅛
1 Nor.	.73⅛	.72⅝	.72½	.72⅛
2 Nor.	.70¼	.69½	.69½	.69¼
3 Nor.	.68¼	.67⅛	.67¼	.66⅞
4 Nor.	.66¾	.65¼	.65⅝	.65
5 Wheat	.64½	.63½	.63⅝	.63¼
6 Wheat	.63¼	.62½	.62⅝	.62¼
Feed	.58¾	.56	.58⅛	.57¾
Oats:				
2 C. W.	.45½	.44¼	.48⅛	.45⅛
3 C. W.	.42¼	.41¼	.45¼	.41⅞
Barley:				
1 Feed	.53	.51½	.53⅝	.50⅛
2 Feed	.52¼	.50⅝	.50⅝	.48½
Flax:				
1 C. W.	1.52¼	1.48½	1.49¼	1.42¾
2 C. W.	1.48¼	1.44¼	1.45¼	1.38¾
Rye:				
2 C. W.	.58¾	.54½	.54⅞	.53⅝

Winnipeg Grain Futures

Week to Nov. 10, 1941

Crop year from Aug. 1, 1941 High	Low		Open Nov. 4	High for week	Low for week	Close Nov. 10	Close year ago
		Wheat					
.79	.72½	Dec.	.72⅝	.74⅛	.72½	.73¼	.72⅜
.82¾	.76¼	May	.76⅜	.77⅝	.76¼	.77	.76⅝
.79¼	.78	July	.78	.79¼	.78	.78⅜	.78¼
		Oats					
.48½	.35⅛	Dec.	.44⅜	.45⅛	.43⅞	.44	.33¼
.47⅞	.38⅛	May	.45	.45¾	.44⅞	.44⅞	.32⅜
.45⅛	.44¼	July	.....	.45⅛	.44¼	.44¼	.31⅝
		Barley					
.61⅜	.46¼	Dec.	.55⅛	.58	.55	.56¼	.47¼
.61¼	.49⅜	May	.56¼	.58⅝	.56¼	.57½	.44⅝
.58¼	.55⅛	July	.56½	.58¼	.56½	.56½	.42⅛
		Flax					
1.63	1.40½	Dec.	1.51	1.52	1.48	1.48	1.31
1.64½	1.40¼	May	1.54	1.56	1.50	1.50	1.34½
1.54¼	1.50⅛	July	1.51⅞	1.54¼	1.50⅛	1.50⅛	......
		Rye					
.66	.50¾	Dec.	.55¾	.59⅝	.55¼	.58⅛	.47⅛
.67⅜	.51¾	May	.58⅝	.62⅞	.58½	.61¼	.50
.63	.62⅝	July	.....	.63	.62⅝	.62⅝	....

NORRIS GRAIN COMPANY
LIMITED
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C. E. BABBITT, Sec'y.
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Sarnia, 3 Million Bushels
The most modern facilities for the storage and transfer of grains, for grain conditioning, and for the production of MASTER FEEDS for Livestock and Poultry. MASTER FEEDS are endorsed and recommended by leaders in the livestock industry of Canada.
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Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

Maple Leaf Milling Earnings Hold

All But One Unit Milling at Capacity in the First Quarter

Results of the first quarter of the current fiscal year of Maple Leaf Milling Co., beginning Aug. 1, have been maintained at the level of a year ago, D. C. McLachlan, president and general manager, stated at the recent annual meeting. All mills are operating at capacity with the exception of one unit at Port Colborne, he stated.

No prediction could be made of the trend of export business but if further expansion of this trade developed, the company is in a position to handle it, Mr. McLachlan said. The report just issued was one of the best in the company's history, production having been on a very high level and profits moderately higher.

Many new problems will be created by the ceilings to be placed on wages and prices, which will involve extra work and possible additions to the staff.

Directors were re-elected and J. G. Singer, resident director of Royal Securities Corp. was added to the board of directors to replace A. C. Matthews who had resigned.

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HEAD OFFICE — WINNIPEG
JAMES RICHARDSON & SONS
LIMITED

BUY
War Savings Certificates
Regularly
THE ALBERTA PACIFIC GRAIN CO. LTD.
(30)

CPR West Coast Service Wages Upheld by Board

From Our Own Correspondent

MONTREAL.—Federal Arbitration Board which heard evidence on the dispute between the Canadian Pacific Railway B. C. Coast Steamship Service and stewards, deck and engine room employees, unanimously recommended the present wage level be maintained for duration of the war and one year thereafter.

Employees had sought wage increases, enforcement of the eight-hour day and overtime payment agreements.

The arbitration board recommended in lieu of the present system of paying overtime on a monthly basis, payment of 50 cents per hour for time worked over eight hours a day. It also recommended that the company pay $1 per day on statutory holidays and annual leave with pay, in lieu of board and lodging.

Maple Leaf Milling Company Limited

(A Company incorporated under the Ontario Companies Act)
and its wholly owned Subsidiaries

CONSOLIDATED BALANCE SHEET as at 31st July, 1941

ASSETS

Current:		
Cash on hand and in banks		$ 82,772.18
Dominion of Canada bonds at cost		263,750.00
Accounts and bills receivable:		
Ministry of Food of the United Kingdom	$2,388,565.18	
Other trade and sundry accounts, less reserve	1,256,731.03	3,645,296.21
Inventories of merchandise and materials as determined and certified by the management on the company's usual basis of valuation, namely:		
Hard wheat and hard wheat flour at not more than market value of wheat and cost of milling; wheat and flour sold under contracts at cost which is less than contract price	$2,146,258.06	
Coarse grains, cereals, feeds, bags and other products and materials, at the lower of cost or market value, less special reserve	773,308.75	2,919,566.81
		$6,911,385.20
Sundry:		
Advances to controlled companies, less reserve	$ 56,588.83	
Deferred charges and other payments carried forward	156,920.59	
Inventories of repair parts and supplies less reserve	79,649.36	293,158.78
Investments:		
Shares of controlled companies (less amounts written off)	$1,750,160.11	
Other investments, mortgages, exchange seats and properties acquired, held for sale, less reserve	112,201.85	1,862,361.96
Fixed:		
Real estate, plant and equipment at the depreciated replacement valuation as appraised by Canadian Appraisal Company Limited as of 15th June, 1929, plus additions at cost	$5,817,967.55	
Less reserve for depreciation	1,854,026.81	
	$3,963,940.74	
Trucks and automobiles at cost less depreciation	100,061.29	4,064,002.03
Leases, contracts, goodwill, etc.:		
Leases and contracts (less amounts written off)	$ 700,000.00	
Trade marks and goodwill	300,000.00	1,000,000.00
		$14,130,907.97

LIABILITIES

Current:		
Current bankers' advances (secured)		$ 1,625,857.17
Bills receivable under discount		2,590,291.26
Owing for purchases of grain, etc. (secured)		94,921.41
Accounts and wages payable and accrued charges		424,939.56
Taxes payable and accrued (including provision for estimated income and excess profits taxes)		582,376.63
Bond interest accrued		23,102.50
		$5,341,488.53
Deferred:		
Deferred bankers' advances (secured)		1,966,300.00
Bonds:		
First mortgage bonds due 1st December, 1958—3% interest to 1st December, 1943, 5½% thereafter	$5,000,000.00	
Deduct redemptions	379,500.00	
	$4,620,500.00	
Less purchased for sinking fund	208,000.00	4,412,500.00
Capital:		
Authorized:		
100,000 Class "A" participating preferred shares of no par value redeemable at $17.50 per share and entitled to a dividend of 70c per share per annum, cumulative from 1st December, 1938.		
300,000 common shares of no par value		
3 management shares of no par value.		
Issued:		
91,997 class "A" shares at $14 per share	$1,287,958.00	
250,100 common shares at $1 per share	250,100.00	
3 management shares at $1 per share	3.00	
	$1,538,061.00	
Less stated value of shares held by a subsidiary	20,479.80	1,517,581.20
Note: Dividends on the Class "A" participating preferred shares from 1st December, 1938, are unpaid.		
Surplus:		
Balance including surplus arising from reduction of capital, less amounts written off assets, etc.		893,038.24
Contingent liabilities:		
(1) For possible additional taxes in respect of prior years.		
(2) Guarantee of quarterly dividends on preferred shares of Eastern Bakeries Limited to 15th January, 1944, not exceeding $13,000 per annum.		
		$14,130,907.97

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the foregoing consolidated balance sheet of Maple Leaf Milling Company Limited and its subsidiaries as at 31st July, 1941, and of the accompanying consolidated statements of profit and loss and surplus for the year ending on that date. In connection therewith we examined or tested accounting records of the company and its subsidiaries. We also made a general review of the accounting methods and of the operating and income accounts for the year and made tests of the year's transactions.

We report that, subject to the values at which fixed assets and investments are stated and to the adequacy of the reserve for depreciation, in our opinion, based upon our examination, the foregoing consolidated balance sheet and related statements of profit and loss and surplus have been drawn up in accordance with accepted principles of accounting, so as to exhibit a true and correct view of the state of the companies' affairs as at 31st July, 1941, and the results of their operations for the year, according to the best of our information and the explanations given us and as shown by the books of the companies. All our requirements as auditors have been complied with.

Toronto, Canada.
20th October, 1941.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants.

CONSOLIDATED SURPLUS ACCOUNT for the Year Ended 31st July, 1941

Balance 31st July, 1940		$ 585,370.08
Add:		
Net profit for the year	$332,594.41	
Discount on purchase of company's bonds for sinking fund	25,073.75	357,668.16
		$ 943,038.24
Deduct amount reserved against loss on miscellaneous investments		50,000.00
Balance 31st July, 1941		$ 893,038.24

Week in Mining

Labor Trouble Believed Confined to Kirkland

C.I.O. Efforts Practically Entirely Concentrated on Kirkland Lake Area — Vote Even at Outlying Mines Did Not Favor Union

While undoubtedly a very serious situation exists in Kirkland Lake at the present time, information is that the C.I.O. organization has not penetrated much beyond the Kirkland Lake area in northern Canada's gold and base metal mining. In this regard, it is pointed out that the three most outlying mines in the Kirkland Lake area — Golden Gate, Morris Kirkland and Upper Canada—all voted against a strike.

Farther east, beyond Kirkland Lake, there has undoubtedly been some organization in Larder Lake but from what can be learned, it is believed that the C.I.O. is at present staking everything on its efforts in Kirkland Lake. There has been some speechmaking by C.I.O. leaders in the Porcupine area also but so far this seems to have been for general propaganda purposes rather than for any anticipated early test of strength there.

Shareholders Back Stand

At the first annual meeting of a Kirkland Lake mining company since the mines announced their policy of "No C.I.O. recognition," shareholders of Wright-Hargreaves Mines gave their unconditional approval to the policy at the company's annual meeting in Kirkland Lake on Monday.

The text of the shareholders' resolution was as follows:

"Believing that this company has made a splendid contribution to Canada in peace and war, in good times and in bad, and that the policy of maximum production, regardless of current high taxation, consistent with good mining practice, should be continued because of its assistance to Canada's war effort, and with this object in view:

"We, the shareholders of Wright-Hargreaves Mines, give our unqualified approval to the stand of the management in refusing to recognize a C.I.O.-affiliated union."

• • •

Taxes Hit Dividend

In view of the current high level of taxation and rising costs President Edwin Lang Miller stated that all or part of the annual extra dividend of 10 cents a share that has been paid the last few years may have to be eliminated although it is expected that the regular quarterly dividend of 10 cents a share and the regular quarterly extra of 5 cents a share will be paid.

A quarterly dividend of 10 cents a share and an extra of 5 cents a share were declared payable Jan. 2, to shareholders of record Nov. 26, following the annual meeting.

• • •

Aunor President Passes

John A. Mitchell, president of Aunor Gold Mines, passed away suddenly last Sunday.

Mr. Mitchell, a man of wide experience, had been connected with mining for a great many years. He was an operator in Cobalt in the early days and was known as an oldtimer in Porcupine, having survived the disastrous Porcupine fire.

Besides his activities in Canada Mr. Mitchell spent a considerable part of his life in the oil business in southern United States but returned to Canada some years ago.

Although he was in Porcupine in the early days, it was only relatively recently that he achieved outstanding success there. In recent years he was instrumental in development of Aunor Gold Mines, which came into production in 1940 with Noranda providing the finances.

• • •

Tungsten Marketed

Shipments of high-grade tungsten-gold concentrates from Slave Lake Gold Mines were scheduled to reach a refining company in New York last week, marking the advent of Canada into the tungsten producing field.

For some time Slave Lake Gold Mines had been recovering and shipping bullion but there had been some delay in recovering and marketing tungsten values. This stage is now believed to have passed. Besides shipping these concentrates to New York, Slave Lake is shipping gold bullion direct to Ottawa and copper-gold concentrates to the American Smelting & Refining Co. at Tacoma, Washington.

To ensure continuity of operations a total of $100,000 of supplies was freighted into the Slave Lake property recently, sufficient to carry the company up to the middle of next year.

• • •

Pioneer-Minto Deal

Arrangements have now been completed for Pioneer Gold Mines to explore the adjacent property of Minto Gold Mines in the Bridge River area, it is reported. Purchase of four claims from Federal Gold Mines is said to expedite development of the Minto property by the extension of a tunnel from the Federal mine into the Minto property. An initial payment has been made to Federal Gold Mines on the claims by Pioneer with the balance payable over a two-year period.

Under the deal with Minto, Pioneer acquired an option on an 80% interest in the Minto property which has a previous record of production. Pioneer has agreed to carry out continuous work on the Minto for the life of the option. If operations are carried through to the producing stage, a new company will be formed with Pioneer receiving an 80% interest and Minto 20%.

Week in Oils

From Our Own Correspondent

$43,387 a Day

CALGARY.—Production of crude oil and natural gasoline averaging 28,526 bbl. per day, and a return from sales averaging $43,387 per day—that is the record shown by the Alberta oil industry for September, according to final returns just completed and issued by the Conservation Board.

Daily average production shows an increase of 992 bbl. over the August, 1941, average, and a boost of 1,360 bbl. over the September, 1940, average. The daily average revenue from sales is up $1,412 over August, 1941, and is $9,161 over the September, 1940, average. (Increased prices effected July 16, 1941, account for a large part of the big increase in returns over September of last year.)

Alberta's crude oil and natural gasoline production for the nine months January to September inclusive was 7,339,211 bbl., an increase of 1,234,724 bbl. over the yield of 6,104,487 bbl. in the same period of 1940. Revenue from sales for the first nine months of 1941 was $9,863,776, an increase of $2,421,710 over the return of $7,442,066 recorded in the first nine months of 1940.

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Oil From Tar Sands!

Not included in the above report on Alberta oil and natural gasoline production is the yield now being obtained by mining methods from the bituminous sands at McMurray, in northern Alberta. Production was commenced on May 19, 1941, but the first report on operations has just been received.

Of the McMurray operations the Conservation Board comments: "While the quantity is not a large percentage of the total oil produced in the province, it does show the results of several years continued application to the difficult problems involved in its production. This oil has been produced commercially from the high tar sand for use in northern metal mining operations by strip mining methods, followed by plant extraction and refining."

Between May 19 and Sept. 30, 18,852 tons of sand were mined. From this a total of 16,928 bbl. of crude oil was obtained. Processed, the crude yielded 1,069 bbl. of gasoline and 3,479 bbl. of Diesel and burner fuel oil.

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Drilling Slump Ends

The slump in Turner Valley drilling, which commenced last May and placed about a third of the available rotary rigs on the idle list, has finally ended. A survey by The Financial Post shows that practically all of the rigs now idle have been contracted for, and are going onto new locations immediately, and that arrangements have been made already to shift to new sites the rigs to be made available during the next three months by completion of wells now drilling.

Not only are present rigs to be kept busy, but arrangements have been made to bring into Turner Valley at least one more heavy duty rotary rig from the United States. The number of drilling wells, now 19, will be increased by 50% in the near future, the survey indicates.

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Good Wells, The Cause

The new drilling boom which, together with the activity in proved and wildcat areas outside of Turner Valley, is of vital importance to Canada at war, is not due to any constructive action by the provincial or federal governments, but almost solely to recent highly successful completions in the north extension section of Turner Valley, which have focused attention of the oil industry on this area.

Biggest part of the new development programme will be in the north extension, including a wave of wells in the area proved or semi-proved by recent completions, and a wave of new "prospect" tests extending as far as 14 miles north and west of current producing limits. Not being neglected, however, is the central west flank of the structure, which has been opened up during the past two years, and is now undergoing a steady development programme.

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Washington Gets List

At the request of Dr. G. S. Hume, the Alberta Petroleum Association recently made a survey of drilling and production equipment and casing needs for the next 12 months for the Alberta industry, and the list of needs has already been submitted by the oil controller's office to the Priorities Board at Washington.

The combined order covers more than 13,000 tons of steel. It includes over one million feet of casing and pipe, quantities of production equipment for Turner Valley, Vermilion and other areas, and miscellaneous items. It did not, however, anticipate needs for some of the new wells located the past few days or to be staked in the near future, and those who did not get their nominations into the A. P. A. in time for the combined order will have to move fast to place orders and obtain delivery of needed equipment, it is stated.

Renabie Now Drifting In Ore in Missinabie

Underground development is now proceeding on two levels at Renabie Mines, whose property is located north of Missinabie, Ont.

Initial drift advances have been in ore with structure and values stated to be favorable.

Nickel Profit Edges Higher

Earnings Equal 54 Cents a Share For 3rd Quarter Up 2 Cents a Share

Although gross earnings were slightly lower, net profits of International Nickel Co. moved slightly higher to $8,380,311 or 54 cents a common share in the three months ended Sept. 30, 1941, compared with $8,075,898 or 52 cents a share in the preceding three months. The third quarter profit however, was lower than that for the corresponding period of 1940 when earnings had equalled 57 cents a share.

Earnings for the first nine months of 1941 total $25,695,938 equal to $1.66 a share. This compares with $26,425,104 equal to $1.71 in the corresponding period of last year. Profits in each case are after all charges and allowance for dividends on the company's preferred stock.

Taxes Sharply Higher

Provision for taxes for the first nine months of 1941 totalled $20,903,823 or $1.43 per share compared with $15,621,743 or $1.07 a share in the first nine months of 1940 and $7,411,450 or 51 cents a share in the same period of 1939.

In a letter accompanying the company's quarterly earning statement, President R. C. Stanley announces that International Nickel's Huntingdon West Virginia works has been singled out by the United States Government as one of 14 plants to receive the United States Navy's "E" award in recognition of the excellency and efficiency of their services in the production of ordnance equipment.

"Coming at a time when nickel production for the Canadian, British and United States Governments is of such vital importance," Mr. Stanley states, "this distinction emphasizes the company's ability to adapt its peacetime facilities at the Huntingdon works to meet defense needs."

Macassa Gets Ore At Depth

Labor Situation Cloudy But Physical Position of Mine Strong

From Our Own Correspondent

KIRKLAND LAKE.—While several mines of the Kirkland Lake area have been finding "diminishing" returns in their ore hunt, this is not true at Macassa Mines, The Financial Post is informed. The chief unfavorable factor at present is said to be the labor situation.

Work on three bottom levels of Macassa Mines at 3,875, 4,000 and 4,125 ft. has been disclosing the usual lengths of ore while on the upper horizons diamond drilling has been showing recurrence of the flat-lying high grade hanging-wall structures. Drift advance in the present year has opened up a total of 2,365 ft. of ore averaging 0.51 oz. gold across an average width of 6.8 ft.

830 Ft. of Ore at 3,875 Ft.

On the 3,875-ft. level a total of 830 ft. of ore has been opened up with an average grade of 0.57 oz. across an average width of 8 ft. The structure along the break shows characteristic mineralization over widths up to 15 ft. Further drifting to the east remains to be done.

At the 4,000-ft. horizon drifting is now being done from No. 2 shaft. A length of 160 ft. of ore has been opened up averaging 0.6 oz. across an average width of 5.9 ft. The drift is now approaching the zone below the long important length of ore opened on the 3,875-ft. level.

Work to East at 4,125 Level

Drifting east is close to the Grozelle fraction on the 4,125-ft. level. So far there has been disclosed a total length of 670 ft. of ore averaging 0.52 oz. gold per ton over an average width of 7.7 ft. The drift will be driven through the Grozelle claim a distance of 400 ft. and exploration of the 1,000 ft. east to the Kirkland Lake boundary will be carried out.

Widespread and active exploration and development has placed the mine in a strong "ore ahead" position.

Start Drilling Marbenor

A programme of diamond drilling is now getting under way on the property of Marbenor Malartic Mines, a company formed recently to consolidate a large group of claims adjoining to the north of Malartic Gold Fields.

The initial contract calls for 5,000 ft. of diamond drilling which will be used in part to investigate geology similar to that on Malartic Gold Fields where ore bodies have been located in diorites. The Marbenor diorites lie in the northwest part of the property which will receive part of the drilling with holes also to be put down on a favorable belt in the central part of the property.

Holds 1,674 Acres

The property taken over by the company totals 1,674 acres, the claims originally belonging to Inspiration Mining & Development, Dubuisson Mines, and others. In the past few weeks considerable trenching, stripping and geologizing have been carried out under the direction of J. P. Norrie, the company's consulting engineer.

Offering Oversubscribed

An initial offering of 400,000 shares at 10 cents a share was recently made by Hambly, Peaker & Trent, a Toronto Stock Exchange member house, and oversubscription of this offering is providing the necessary funds for drilling.

Authorized capital of Marbenor is 3 million shares of which 1,200,007 shares have been issued.

Officers and directors of Marbenor are: W. M. Sixt, president; E. H. Benson, vice-president; W. R. Salter, treasurer; Sir Henry L. Drayton, James O. Doddick, Seymour Trent and C. E. Kilmer.

How Kirkland Vote Went At Individual Mines

Of 4,333 mining company employees eligible to mark a ballot in the Kirkland Lake strike vote, 2,725 or 62.9% voted in favor of a strike. While there were 4,333 people eligible for a vote, 462 others, chiefly teamsters, sub-foremen, assayists, etc., were not allowed a vote under a Department of Labor ruling. Office staffs also did not have a vote. Here is how the strike vote went at individual mines:

	No. of eligible Voters	No. voting in favor of "strike"	No. voting "No"	No. of spoiled Ballots
Mines in Which Employees Favored Strike Action				
Bidgood Kirkland Gold Mines	128	69	48	8
Kirkland Lake Gold Mining Co.	326	232	72	3
Lake Shore Mines	1,037	680	273	17
Macassa Mines	292	180	95	3
Sylvanite Gold Mines	400	233	126	14
Teck-Hughes Gold Mines	550	413	109	1
Toburn Gold Mines	204	105	83	5
Wright-Hargreaves Mines	1,073	698	298	14
Mines in Which Employees Voted Against Strike Action				
Brock Gold Mines	31	12	2	2
Golden Gate Mining Co.	55	12	39	2
Morris-Kirkland Gold Mines	42	18	14	..
Upper Canada Mines	195	75	95	9
Totals	4,333	2,725	1,254	78

Bidgood Profit Runs Higher

In first nine months of 1941 Bidgood Kirkland had an operating profit of $46,000. Comparative figures are not available. Last month the operating profit ran over $11,000, it is stated.

Besides higher profits material improvement has taken place in the mine's ore position, it is claimed. Officials now estimate a supply sufficient for more than one year's milling at the current rate with grade better than $11 per ton. A comparatively few months ago ore reserves were estimated at around six months' supply with grade below $8.

Crosscut On New Levels

Crosscutting on the new 1,150 and 1,275-ft. levels is just starting toward the downward continuation of three veins indicated in drilling from the 1,000-ft. level. About another 300 ft. of driving will be necessary before these veins are reached. However on the 1,275-ft. horizon a new vein is reported to have been cut. This occurrence has been drifted on for some 70 ft. to date with average grade at approximately a half ounce over drift width.

The company is understood to currently have in the treasury something in the neighborhood of $100,000.

Bonetal Now in Production

Ships Over 100 Tons a Day to Broulan

Another producer has been added to the ranks of Canada's gold mines in Bonetal Gold Mines which started trucking ore to the adjacent Broulan Porcupine mill on Nov. 1. Shipments are currently running at the rate of over 100 tons daily.

Ore trucked to the Broulan mill includes ore from development headings and ore from stope preparation on the No. 1 zone. Bonetal pays Broulan a total milling cost of $1.50 a ton, including depreciation. Due to inclusion of a considerable volume of development ore, the average grade of shipments to the Broulan mill may be lower than the mine average. However, net returns from such shipments are expected by the management to be sufficient to cover the cost of the extensive development of the property during the next six months.

Can Go To 700 Tons

This planned development programme is expected to indicate what daily production rate should be considered as the basis for the step-up in the Broulan mill which may be necessary to handle such tonnage. The Broulan mill is now operating at approximately 500 tons

Broulan has already the items of equipment necessary to step up the mill tonnage which, together with additional agitators and other minor equipment, would increase the mill operating at approximately 500 tons.

New Zone Runs Rich

Chief development so far has been in the No. 1 zone which is the indicated extension of the Hallnor zone. Recently, however, there have been indications of a wide new zone north of the No. 1 zone. This contact zone was indicated by a crosscut to the north from the No. 1 zone drift on the 275-ft. level which cut a zone in sediments adjacent to the contact with a width of 25 ft. averaging 0.57 oz. per ton from chip samples and 0.38 oz. from car samples. This crosscut was located at a point 120 ft. east of the main crosscut, or 80 ft. from the east boundary. In the main crosscut on the 275-ft. level, a zone was intersected in the sediments at the contact which averaged 0.28 oz. on chip samples and 0.11 oz. on car samples over a width of 20 ft.

Extends to 175-ft. Level

The crosscut on the 175-ft. level has also intersected a zone in the sediments at the contact which returned chip samples averaging 0.27 oz. and car samples of 0.24 oz. over a width of 30 ft. The results from this crosscut indicate the extension to the 175-ft. level of the contact zone cut in the crosscuts on the 275-ft. level.

Drifting in the No. 1 zone located in the sediments, including drifting in the Broulan ground on the 512-ft. level totalled 996 ft. of which 65% was in ore. Drifting to the east on the No. 1 zone on the 275-ft. level has opened up a length of 258 ft. of ore with chip samples averaging 0.19 oz. and car samples 0.15 oz. over a width of 7.4 ft.

A short distance west of the main crosscut on the 275-ft. level another ore shoot has been developed for a length of 117 ft. with ore continuing in the west face averaging 0.19 oz. on chip samples and 0.17 oz. on car 6.4 ft.

On the 400-ft. level what appears to be the south branch of the No. 1 zone has been drifted on for 39 ft. west of the crosscut with a width of 4.9 ft. averaging 0.32 oz. gold on chips and 0.21 oz. on car samples and for the 39 ft. to the east averaging 0.16 oz. on chips and 0.07 oz. on car samples over 6.2 ft. in width. Drifting to the east is now under way on the north branch of the No. 1 zone.

On the 512-ft. level, drifting in the No. 1 zone in Bonetal ground has developed a length of 117 ft. of ore averaging 0.22 oz. on chips and 0.13 oz. on car samples over a width of 7.2 ft. This drift was continued into Broulan ground where an ore length of 115 ft. (with indicated total length of 120 ft. to the Hallnor boundary) has been developed averaging 0.3 oz. on chips and 0.29 oz. on car samples over an average width of 6.2 ft. Drifting has been started to the west on the 512-ft. level to explore below the westerly shoot developed on the 275-ft. level and will be continued toward a drill intersection which averaged 0.28 oz. over 5.3 ft. at vertical depth of 440 ft. and located approximately 450 ft. west of the main crosscut.

Drifting to the west on the No. 2 or north zone in the greenstones has been extended over 375 ft. and will be continued to a point approximately 800 ft. west of the main crosscut where the most westerly in this westerly shoot over an average width of 9 ft. with chip samples averaging 0.17 oz. although car samples may average higher due to the presence of visible gold. diamond drill hole in No. 2 zone intersected 24.5 ft. averaging 0.19 oz. or 36.5 ft. averaging 0.16 oz., representing the most favorable intersection in this zone. When this drift is completed the No. 2 zone will be explored by diamond drill holes from this drift at close intervals.

The average of car samples from drifting may be lower than warranted due to inclusion of a considerable amount of waste. The drifts are carried as nearly as possible on line so that in places a part of the ore width may be included in the wall and part of the drift may be in waste. A complete sorting unit has been installed in the headframe structure.

Preparing Shipment of Bar Silver, TRAIL, B.C.
The Trail production of silver is one of the largest in the world and accounts for 60% of the total refined silver production of Canada.

FROM CANADIAN ROCKIES HELPS CANADA BUY FROM ABROAD

BEFORE man, before even life itself, appeared on this planet, Nature stored wealth in the rocks of Canada. But Nature demands that its treasure house shall be drawn upon only by toil of muscle and brain.

Today, with highly technical machinery and abstruse chemical methods, a band of scientists, aided by an army of wage-earners, extract from the metal-bearing veins of British Columbia's rocks a wide variety of pure metals. One of these is silver.

Canada is the world's third largest producer of silver. Practically all its output is sold abroad. Thus the smelted rocks of British Columbian mountains make a huge contribution to this country's wealth, to its power to pay wages at home and to purchase essential supplies from abroad.

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Single Superphosphate - Triple Superphosphate - Ammonium Phosphates - Mono-Calcium Phosphate

Oil has started pouring into the new Portland-Montreal pipe line. But oil travels only about three miles an hour and it will take almost three weeks to start coming out the other end. Here pipe line workers shake hands on completion of welding at the International Boundary.

Start Running Oil in New Line

Well ahead of schedule the 236 mile Portland, Me.-Montreal pipe line has started crude oil from the principal oil fields of the hemisphere on its way to the storage tanks at East Montreal. Valuable tanker tonnage estimated at a minimum of four large ocean-going tankers will be released for use in the British service. Montreal refineries will receive a steady flow of crude oil summer and winter.

Without the line, tankers carry their cargoes of crude oil from the South and North American fields around Cape Breton, down the St. Lawrence waterway to Montreal. The extra 2,000 miles required for the trip will be eliminated by the tankers putting into Portland and transferring their black cargo into the 240,000 bbl. tanks installed there.

The Port of Montreal is ice-bound for several months of the year. During the summer it has been necessary in the past to build up sufficient reserves and provide other transportation to carry the refineries over the winter. The pipe line will lessen the load upon Canada's already hard-pressed transportation facilities.

The traffic the Port of Montreal will lose will not have a serious effect upon its operations, particularly at a time when ocean-shipping is at an all-time high.

Surpass Construction Plans

Originally it was expected to have the line in operation by the end of the year. But as bulldozers, ditching machines and assorted paraphernalia ripped its way through the 236 miles between the U. S. and Canadian terminals the scheduled completion date was steadily advanced. As a result the line was ready for testing the first of this month. Difficulty encountered in crossing the Richelieu River will probably mean that it will be the end of the month before oil reaches Montreal.

The weather-beaten Texans and Oklahomans who laid down this line have never worked under higher pressure in any part of the world. When Standard Oil approached major contractors in the U. S. with the demand for a pipe line by the end of the year, the majority shrugged their shoulders. The line, they declared, could not be constructed in such a short time.

The oil company nevertheless went ahead with its plans, forced Canadian and U. S. subsidiaries to look after arrangements.

After speedy preliminary work a unique survey of the terrain by plane from a height of 17,000 ft. and a "mosaic" piecing together of the photographic results, purchasing of necessary right-of-ways, the blitzkrieg crew of veterans went to work with zest.

Actual work began early July. Final links are now being welded and completion will represent something in the nature of a record for that kind of a job.

236-Mile Journey

From the giant tanks at South Portland the oil starts its journey; is pumped to a height of 1,950 ft. over the White Mountains and falls down to Montreal. The line passes under the mighty St. Lawrence River and the Richilieu River at sufficient depth to ensure uninterrupted passage of navigation. In the case of the St. Lawrence, it was necessary to take into consideration the projected St. Lawrence Seaway scheme. If the river is dredged to provide navigation for ocean vessels, the 12¾-in. pipe line is laid to sufficient depth to permit deepening of the navigation channel.

To carry the crude oil over the White Mountains and speed its flow it is necessary to operate eight pumping stations, six on the U. S. side of the boundary and two north and west of Highwater, where the line crosses the U. S.-Canada border.

Eight Pumping Stations

From Highwater to Montreal the line drops 800 ft. The pressuring stations needed in Canada are thus fewer than those required in the U. S., as much of the impetus to the movement on the Canadian stretch will be supplied by gravity.

With the eight pumping stations operating oil courses through the line at the speed of three miles an hour, delivering 50,000 bbls. of crude for all purposes daily into the Montreal reservoir. From the storage tanks, oil will be channelled out to the Montreal refineries.

Although its war value is considerable the line has been financed at a cost of approximately $8.5 million by Standard Oil Co. (New Jersey). The work was actually undertaken through its two subsidiaries, Portland Pipe Line Co. and the Montreal Pipe Line Co.

Chesterville May Continue Shaft Further

Rich Drill Values From Kerr-Addison at 1,300 Ft. May Change Plans

From Our Own Correspondent

LARDER LAKE.—Cutting of rich ore in drilling into the company's ground from the 1,300-ft. level of Kerr-Addison Gold Mines may bring a change in development plans at Chesterville Larder Lake Gold Mining Co., The Financial Post is informed.

Instead of suspending shaft sinking and concentrating on lateral development now that the shaft has been completed to 1,175 ft. with new levels at 675, 800, 925, 1,050 and 1,175 ft., it may be decided to continue the shaft a further five levels to 1,800 ft. in order to get nearer the new ore intersections.

The drilling from the Kerr-Addison workings has been done from a drill station located in close proximity to the Chesterville boundary. A drill hole put out to the northeast from this location returned an intersection of 15 ft. of 0.207 oz. grade on Chesterville close to the boundary and a second zone with a width of 0.208 oz. grade at 200 ft. within the boundary. The cores showed mineralized carbonates with strong schisting, the structures being indicated as parallel and south of the No. 19 ore body of Kerr-Addison.

Get Extension of "21" Body

Both the intersections represent good ore intersections for Chesterville but values were considerably below that secured in another hole drilled southeast into Chesterville ground. At 40 to 70 ft. or for a core length of 30 ft., this hole gave an average value of 0.315 oz. or $13.31 at $38.50 gold. The core shows even distribution of gold values with no high erratics, the sectional assays varying from 0.2 to 0.7 oz. The occurrence is directly on strike east of the No. 21 ore body of Kerr-Addison—that company's most important single ore source. The No. 21 ore body has been disclosed to the Chesterville boundary on the 1,000, 1,150 and 1,350-ft. levels with indications of extension east from the upper levels. A second hole in the same plane as the latter hole is being drilled to cut the structure 50 ft. beyond the rich intersection.

"A" The Chief Ore Source

Production is being maintained from stoping operations above the fourth level with 70% of the mill feed being drawn from the A ore body. An extensive tonnage of the latter remains to be mined above the first level and between the third and second levels. Broken ore reserves have been built up recently to close to 50,000 tons.

Diamond drilling to the northwest from the crosscut on the sixth level at 800 ft. has cut the depth continuity of the C ore body with an intersection of 0.135 oz. secured over 44 ft. On the fifth level above a hole in the same plane returned 0.31 oz. over 10 ft. This ore body has shown recession in width from the third to fourth level but intersections at depth indicate widening below the fifth level to upper level dimensions.

Drive Towards Values

A crosscut is now going out to the west at the third level to a drill intersection of 0.243 oz. over 53 ft., the indicated downward continuation of the No. 286 ore body which underlies and is below the main A ore body.

In the first half of the fiscal year to June 15, net profit is reported at approximately $190,000 equal to 11 cents a share. The rate of profit has continued at the same rate subsequently with operating profit in the third quarter totalling $169,096 before write-offs and provision for taxation.

Details of production and operating profits are as follows:

Month ended:	Tons milled	Total recov.	Oper. profit
Jan. 31, 1941	21,714	$149,820	$84,846
Feb. 1 to Mar. 15	27,049	163,062	70,189
Mar. 15 to Apr. 15	21,918	119,814	54,572
May 15	20,862	108,883	48,722
June 15	21,760	107,514	46,168
July 15	20,356	105,721	46,112
Aug. 15	20,356	124,122	58,929
Sept. 15	21,759	104,800	44,337
Oct. 15	21,171	129,440	65,830
	196,945	1,113,176	519,703

Upper Canada Completes No. 2 Shaft Programme

Shafts Now Connected by Drift 2,900 Ft. Long at 375-ft. Level — "H" Ore Body Values Off Somewhat at Depth But "M" Body Responds

From Our Own Correspondent

KIRKLAND LAKE.—With its No. 2 shaft completed to 400 ft. and levels established at 125-ft. intervals, Upper Canada Mines expects to get its development programme under way at this new shaft soon after the hoist is made available from the main No. 1 shaft. This hoist will be transferred when the hoist is delivered for the No. 1 shaft, expected some time this month.

The two shafts have already been connected by a 2,900-ft. long drift at the 375-ft. level and this will be used as a main haulageway.

Zone is 800 to 900 Feet Long

The No. 2 shaft is midway along a 800-900 ft. east to west zone which returned ore and structural indications in extensive surface diamond drilling. The core intersections are stated to indicate recurrence of the main ore bodies. Ore intersections are in heavily mineralized altered sediments.

Most of recent underground development has been on the lower levels of the mine in recent months. "H" drifting on 875 and 1,000-ft. levels has shown a decline in grade to below mine average, this condition being more evident on the bottom level. However, 400 ft. of ore has been opened up on each level with drifting continuing to the east.

Occur Along Mud Seam

The "H" ore bodies, which are the principal source of ore supply in the mine, occur in irregular sections in highly sheared sediments, along a persistent mud seam. Recurrence of the favorably fractured zones off the mud seam at greater depth is geologically indicated.

With delivery of the new hoist for the No. 1 shaft later this month, the No. 1 shaft is to be deepened to 1,500 ft. to establish four new levels at 125-ft. intervals. It is expected sinking will be under way in January. Lateral development of the new levels from No. 1 shaft will likely be proceeding in the second quarter of 1942.

New "M" Ore Shoot

A good ore shoot has recently been opened up in the "M" zone on the 875-ft. level. This ore shoot shows a length of 143 ft. averaging 0.395 oz. gold per ton across an average width of 7.3 ft. A raise has been driven in this ore for 100 ft. and will be continued to the 625-ft. level. A crosscut is now being driven to the same zone at the 1,000-ft. level with about 500 ft. to go.

With additional mill equipment installed recently, capacity has been increased from 200 to 300 tons daily. The new tube mill will give finer grinding and improved extraction. The milling rate is expected to be stepped up gradually as ore is made available from development advance and the No. 2 shaft workings.

Work at Queenston

At Queenston mine, in which Upper Canada has a large interest, sinking the old shaft from the 80-ft. level to establish two further levels is expected to start in December. The Queenston company has ample funds on hand to carry out an initial programme of lateral development to 250 ft. depth.

Production has been showing an upward trend in recent months and this is likely to continue with the increased milling facilities now available. Output by months is as follows:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
May	6,229	201	$15.51	$ 96,134
June	6,027	201	15.59	94,034
July	6,210	200	17.30	107,373
Aug.	6,116	200	15.00	91,707
Sept.	5,892	196	18.32	107,953

Apparently the Kirkland Lake labor trouble may not involve Upper Canada seriously, at least not for the present. From figures given out by the Kirkland Lake union, enthusiasm for the C.I.O. recognition is not so great at Upper Canada and a majority of the miners voted against a strike vote.

Goodrock Arranges Finances For Work

Finances are said arranged for a programme of exploration at the property of Goodrock Gold Mines in the Yellowknife area adjoining Ptarmigan Mines where Consolidated Smelters is now erecting a mill.

According to W. B. Airth, consulting engineer, the property covers the extension of the Ptarmigan structure for a length of 5,000 ft. It is likely that much of exploration will be done along this zone.

Most of previous work was surface exploration. Diamond drilling is planned to test conditions at depth. Directors include: F. A. Walpole, Dr. E. McNeill, A. E. Lynn, J. C. Larkin and W. L. Hodges.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

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Mining Enquiries

Pioneer Gold

I notice that shares of Pioneer Gold Mines of B. C. offer one of the highest yields on the board. Is the mine doing well or is the high yield a signal of trouble ahead?

In spite of a gradual diminution in the quantity of ore dsclosed at Pioneer Gold Mines of B. C. during recent years, the company was able to report a reserve sufficient for three and a half years milling requirements as late as March 31, 1941. Ore results at depth have been disappointing, but there have been reports that some possibility remains for good grade ore again lower down. No official statement is available on this point, however, and it is too early as yet to make any definite statement.

Earnings in the fiscal year ended March 31, 1941, were equal to 41 cents a share. With production remaining on the same basis, it is likely that earnings may be narrowly lower in the current fiscal year due to incidence of both higher taxation and higher operating costs. With approximately 80 cents a share in working capital, it is quite possible that directors would continue to maintain the present dividend rate of 40 cents a share per annum even if this dividend should not quite be covered by earnings.

The Pioneer management is now actively engaged in the search for new properties. With Anglo-Huronian, the company has arranged to bring Musketeer Mines into production with a small mill. Options have also been taken by Pioneer on the Snowshoe property in the Cariboo district and on the Minto property in the Bridge River district. Numerous other properties are under investigation and it is possible that the company may yet find a mine to replace its own operation in the Bridge River area when that mine finally does become exhausted.

At its present selling price, Pioneer is selling at close to break-up value in terms of indicated profit in ore and working capital on hand.

Cataraqui

Some years ago I purchased shares in Cataraqui Gold Mines. Recently, however, I have been unable to secure any information on the company. Can you secure some details on the company's present situation and possibly an up-to-date engineering report on the property?

Officials of Cataraqui Gold Mines Limited inform us that the company has not been active for two or three years and that there are no plans afoot just now for resumed work on the company's property of 650 acres in Grimthorpe township, Hastings county, Ont. The company has a small amount of indebtedness and approximately 2,300,000 shares have been issued out of an authorized capital of 4,000,000 shares.

It is not believed that there is any up-to-date geological or engineering report on the property. Shafts were put down to depths of 65, 152 feet with levels established at 65, 110 and 150 feet depths. Some lateral work was done but we have no detailed report on results obtained.

Privateer Mine

Please outline for me the ore reserve position, capital setup and working capital status of Privateer Mine. What seems to be the present trend of profits?

At the end of 1940 ore reserves at Privateer Mine totalled 37,574 tons, averaging $22.75 per ton. In practice, the company sorts out close to 40% of material mined as waste, so that ore tonnage in reserve does not necessarily represent the exact tonnage available for treatment in the mill.

During 1940 the company milled 30,008 tons of ore, realizing a net profit equal to 18.5 cents a share with recovery averaging $38.06 a ton. Figuring on the contained gold content of ore reserves, it would appear that reserves at the end of 1940 were equal to approximately one year's milling requirements. Some ore has been opened up since, but we would not like to hazard a guess as to the exact ore position at the present time.

Authorized capital of Privateer is 2.5 million shares, most of which are outstanding. Working capital at the end of 1940 amounted to $309,205. Production has been at a slightly lower rate in 1941 than in 1940, and this, together with higher taxes probably is resulting in some decrease in the rate of profit this year.

Noranda Mines

How is the war affecting Noranda? Does it mean more or less in the way of profits?

When war first broke out, it appeared that a definite limit might have been placed on earnings of Noranda Mines by the metal contract signed with the United Kingdom which called for export of most of this company's available surplus of copper. While a certain limit seemed to be placed on higher earnings, the company was safeguarded from lower earnings by the clause in its contract which called for increased payments to offset any increase in operating costs except for taxes. This clause is operative, we are given to understand.

It now appears, however, that the position of Noranda is somewhat better than first thought. Noranda has not been able to expand its metal production so much, but revenue from subsidiary operations has been assuming a more and more important place in the company's income account. It is possible that earnings this year may be as high as $5 a share, a new record.

Urge Aid For Prospecting

B. C. Men Say Tax Adjustment Needed

From Our Own Correspondent

VANCOUVER.—Mining men in British Columbia are urging the federal government to grant special tax concessions to companies in an effort to encourage prospecting and research.

The provincial branch of the C.I.M.M. went on record at its recent meeting here as favoring a proposal whereby Ottawa would permit operating mining companies to add an amount of not more than 10% or less than 5% of the amount permitted annually for depletion.

This sum would be deductible from the companies' taxable income provided it was actually spent in either research or exploration and prospecting projects approved by the ministers of mines and resources and finance.

Can Aid Research Now

During discussion of the suggestion, advanced by Dr. Harry Warren of the University of British Columbia's mines department, it was pointed out that companies could actually make deductions on charitable account through "gifts" to universities, such contributions being earmarked for research work.

In British Columbia, where few important new mining fields have been developed in the past 25 years, the need for prospecting and research is being keenly felt.

Most of the province's mineral production now comes from Sullivan Mountain in the East Kootenay, Bridge River, Sheep Creek and Hedley and the Portland Canal—camps that have been established for many years.

Practically the only really new areas opened up in recent years have been on Vancouver Island—at Zeballos and Bedwell River, although the Shulaps Mountain - Yalakom River region north of Bridge River has important possibilities which are now being investigated by Bralorne Mines.

From the early 90's to about 1905 British Columbia was virgin ground to the lode prospector. The mining industry was developing in the southern part of the province and there was every incentive for a prospector to take to the hills and search for metal ores.

Supply houses, including the local grocer, benefitted by increased mining activity and were willing to grubstake prospectors in return for an interest in their discoveries.

Since about 1905 the chance of a prospector making a new discovery in the southern part of British Columbia has not been regarded as good, and the supply houses and local storekeepers have gradually withdrawn from the grubstaking business and the prospector has been left on his own.

In the northern sections of the province the generally shorter season and the scantier transportation facilities add to the difficulties of the individual prospector.

In the earlier days of mining the labor turnover was large. Miners worked for a spell and then went into the hills to prospect, always certain of a job after coming out. This condition does not apply today when miners as well as operators seek steady employment in the industry.

What B. C. Men Think

Dr. John F. Walker, deputy minister of mines, feels that prospecting must be subsidized if there is to be any assurance that mining will continue to be as important in British Columbia in 1960 as it is today.

Prof. F. A. Forward of the University of British Columbia says that the amount which industry can or will supply for research is largely dependent on the individual attitude.

Canadian Malartic Mill Running at New Rate

The new mill addition at Canadian Malartic Gold Mines was placed in operation Oct. 8 and is already treating 950 tons of ore daily, the company's quarterly report states.

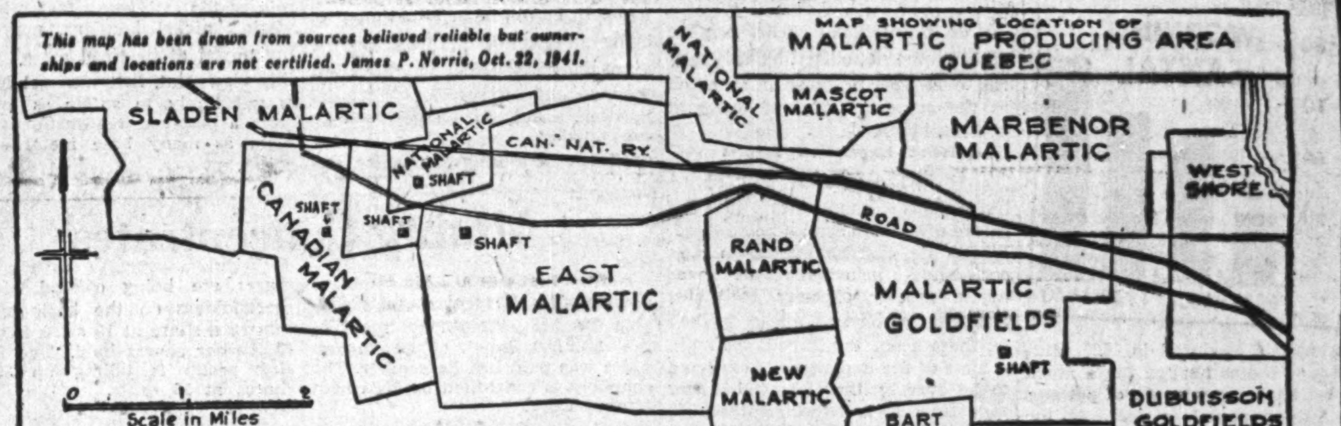
Preparations for treating increased tonnage made the quarter abnormal and operating profit was only $48,562 compared with $90,305 for the same period of 1940. In view of the possibility of a labor shortage the policy has been adopted of increasing development and broken ore reserves beyond immediate requirements.

Some interesting values are stated to have been cut in diamond drilling below the 875-ft. level about 1,900 ft. east of No. 1 shaft.

MARBENOR MALARTIC MINES LIMITED

(No Personal Liability)

Capitalization: 3,000,000 Shares . . . Issued for Property: 800,000 (pooled) . . . Sold for Cash: 400,007 . . . In Treasury: 1,799,993



PROPERTY: The claims of Marbenor Malartic Mines, Limited, were originally held by Inspiration Mining & Development Company, Limited, Dubuisson Mines, Limited, and others, and comprise a solid block of approximately 1,674 acres.

OFFICERS AND DIRECTORS:

PRESIDENT: William M. Sixt.
VICE-PRESIDENT: Edmund H. Benson.
DIRECTORS: Sir Henry L. Drayton, K.C., James O. Roddick, Charles E. Kilmer, Seymour Trent.
TREASURER: W. R. Salter, K.C.
SECRETARY: W. B. Marshall.
SOLICITORS: Salter, Stapells, Sewell, & Reilly.
REGISTRARS AND TRANSFER AGENTS: Crown Trust Company, Toronto and Montreal.
CONSULTING ENGINEER AND GENERAL MANAGER: James P. Norrie, B.Sc.

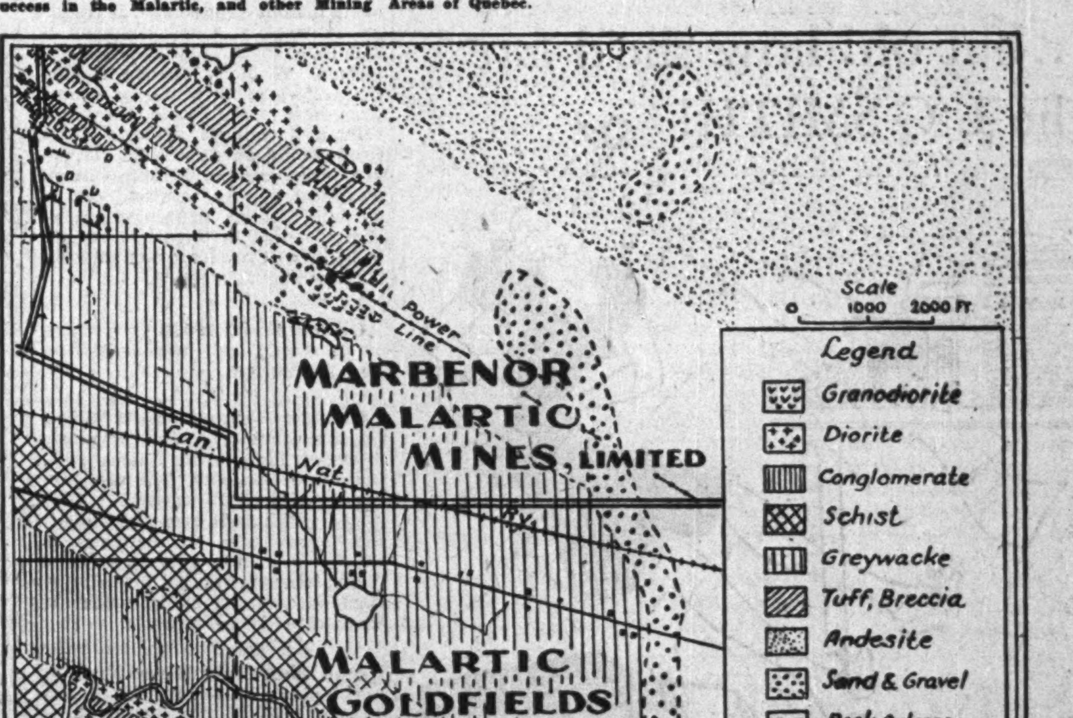
MANAGEMENT: Supervision and development will be under the direction of Mr. James P. Norrie, who has achieved outstanding success in the Malartic, and other Mining Areas of Quebec.

GEOLOGY: Report submitted to the President and Directors by J. P. Norrie, states in part: "The South half of the claims is underlain with greywacke and conglomerate sediments, while the North half consists of many bands of diorite intruding greenstone and tuffs. The latter formation is very favorable prospecting ground as the formation is very similar to that in which the Malartic Gold Fields mine has been found, at a point approximately 3,500 feet to the South where important orebodies are being worked in mineralized diorite intruding greenstone and tuffs. Recently a new orebody with similar rock conditions has been developed by surface diamond-drilling where approximately 6,000 tons per vertical foot of $10.00 grade ore has been indicated to the 350-foot level.

"These conditions also closely resemble those at the East Malartic Mines, Rand, and National Malartic directly to the West, where in the former a 1,500-ton mill is now in operation, and the latter is being developed for production.

"In the South-Central part of the property large gold-bearing float has been found which undoubtedly comes from an orebody to the North within the boundaries of this property and probably from the Westerly extension of important orebodies found on the Kiena property to the East."

*Samples from one boulder 6 ft. by 10 ft. by 12 ft. assayed over $20.00 per ton.



Note the similarity of the formation on Marbenor Malartic and the geological conditions existing on the Malartic Goldfields new ore zone, where a new body of ore has been indicated by diamond drilling with approximately 6,000 tons per vertical foot to the 350 ft. level.

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Inco To Equal Gold Output Rate?

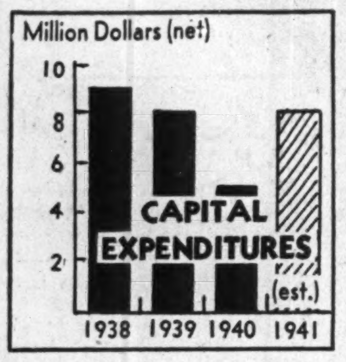
Latest Expansion Will Have Far-reaching Effects

By GORDON M. GRANT
Staff Writer, The Financial Post

Canada's premier metallurgical operation — International Nickel — is embarking on its greatest expansion. Extra profit may accrue from stepped-up capacity but officially the new programme is viewed primarily as a war effort; an expansion to be implemented because nickel demand for the allied war machine is of truly tremendous proportions and because Canada needs the U. S. dollars nickel brings.

If Canada were to be suddenly given 30 new gold mines, it would be regarded as a development of startling importance. In dollars and cents, the new International Nickel programme will involve just that—the amount it would cost to place 30 new gold mines in production.

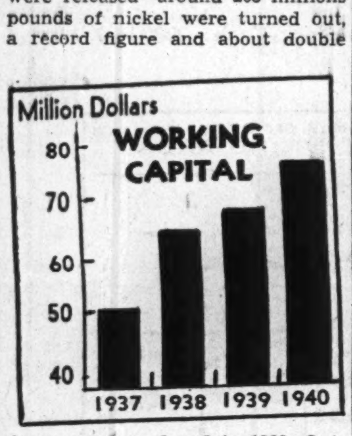
Probably no other company but International Nickel could have



embarked on an expansion costing $32 millions without recourse to public financing. Even International Nickel couldn't have done it a decade ago. Such an expansion is only possible because "Inco" has been husbanding its cash resources for years—since long before the war. Between 1935 and 1940, net current assets advanced 50% to make possible this great expansion today.

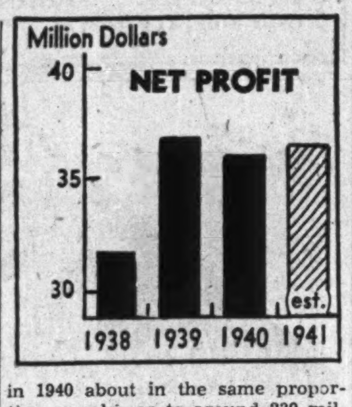
How Nickel Output Rises

Details on exact production of nickel are a war secret but it is possible to get a fairly clear picture of what future nickel productive capacity is going to be. In 1939—the last year in which figures were released—around 208 millions pounds of nickel were turned out, a record figure and about double



the amount produced in 1929. Output now seems headed for a much higher figure, a recovery of perhaps 280 million pounds a year. At the current price output of nickel by itself will move up to $110 millions, equivalent to more than half our output of either gold or newsprint.

There seems little reason for doubting the 280 million pounds of nickel a year estimate. The 1939 output was about 208 million pounds. Value of Inco sales in 1940, taking copper along with the nickel, increased about 11%. It is probably not far from the mark to assume that nickel production was increased

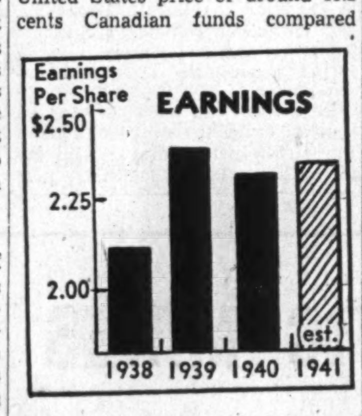


in 1940 about in the same proportion as sales or to around 230 million pounds of nickel. New facilities are to increase capacity to 50 million pounds over that of 1940 so there would seem to be little error in an estimate of a future productive capacity of 280 million pounds of nickel a year.

May Equal Gold Industry

If copper production increases as rapidly as the increase in nickel output, International Nickel value of output in 1944 may move up to $192 millions or within about $10 millions of present gold production.

As extra output resulting from increased capacity is to be used to supply the United States with raw materials under the Hyde Park agreement and to provide Canada with foreign exchange, it seems that most of increased output will be sold in the United States. This suggests that the extra copper produced may be marketed at the United States price or around 13.2 cents Canadian funds compared



with around 10.2 cents Canadian funds a pound under copper contracts with the United Kingdom.

If this proves to be the case, the $198 millions a year value for output of International Nickel may be on the low side; output by 1944 may run over $200 millions or as much as the current output of the gold mining industry.

What Expansion Means

That this expansion will be of tremendous importance to the future of Canada cannot be doubted. While the current expansion was occasioned principally by war needs, greater capacity facilitates treatment of lower grade ores, such as those from the Frood open pit.

Most of the expansion is expected to be over by the end of 1943. By that time it is expected that $29 millions will be expended with perhaps a further $3 millions to be spent to complete the programme by the end of 1945.

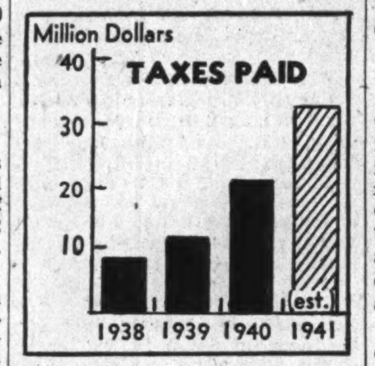
Why Tax Credit Allowed

In asking International Nickel Co., to expand its plant, it was recognized that the additional capacity might have no more than scrap value after the war; that the expansion being undertaken has the purpose of meeting demands arising out of the war. With this in mind, the Dominion government is allowing a special depreciation allowance of $25 millions to be credited during a five-year period. This includes a $5 millions allowance for the current year.

Stated in another way, the government is allowing the company to pay for $25 millions of plant expansion out of profits that would otherwise have been paid over to the government in taxes.

The government believes the new plant may be of little value after the war and the special tax relief is the result. It is a relatively small item when the company's total taxes are considered, however.

Taxation this year may take $31



millions or close to the same figure as net profit. Next year, with the present level of taxation, taxes may rise to around $40 millions. In other words International Nickel pays the Dominion government each year enough money to pay the interest on one billion dollars of debt.

Taxes Hit Net For Shares

In spite of the rapid increase in output and operating profits, the excess profits tax of 75% has prevented a rapid rise in net profits. It has been possible, however, to maintain profits available for dividends at a relatively stable level. The special allowance for depreciation for expansion of plant will mean working capital won't suffer over a five-year period because money was spent on expansion.

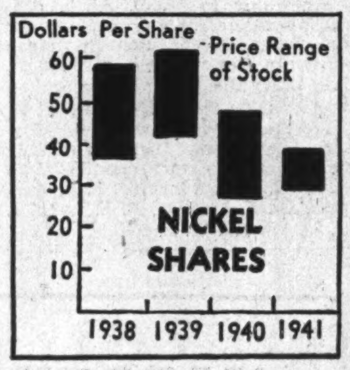
While special write-offs for depreciation won't mean anything as far as higher net profit is concerned with strengthening of working capital, higher dividends might be considered later on. The $25 millions amounts to only around $1.50 a share, however, hardly enough to bring an increase in dividends. A more important effect may be maintenance of a strong financial position, assuring dividends will be continued.

With most mining companies, expansion of capacity such as is taking place at International Nickel Co. would be a cause for concern from the ore reserves viewpoint. It is usually not good business to speed up the rate at which ore reserves are utilized when there is little extra profit to be realized. In the case of International Nickel, however, ore reserves are so immense that the using up of ore is not of so great concern just now. There is more concern over the immediate problem of preparing mines to deliver the tremendous tonnage of ore necessary if 280 million pounds of nickel are to be secured a year. Taking a content of about 2.5% nickel for ore treated and around 13,500 tons of ore a day will have to be mined to make desired production available.

Depletion Allowance Helps

As stated previously, the 75% excess profits tax serves to prevent increased production from resulting in correspondingly increased profits for dividends. The situation is not quite as onerous as might be thought, however. With a depletion allowance of 33 1/3% for all mines, only about half of the extra profit is actually taken away by taxation.

To offset the effect of increased operating costs, the company has been fortunate in the exchange on the U. S. dollar, as all nickel has been sold at a fixed price in terms of that currency. With the placing



of a ceiling on prices in Canada, the further effect of increased costs seems to have been withdrawn for the time being.

Whether the use of nickel continues at a higher scale after the war or not, International Nickel appears likely to continue in its role as the stabilizing factor in the world's nickel industry, maintaining nickel at its fixed price. From this viewpoint, International Nickel is not likely to suffer as greatly from a post-war readjustment problem as many base metal enterprises.

Mining Concentrates

Berens River Mines has declared a dividend of 3 cents a share payable Dec. 18. Final installment of the $600,000 issue of production notes was paid last September. The company is controlled by Newmont Mining Corp.

• • •

Bankfield Consolidated showed an increase in production in September:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
September ..	3,083	103	$5.99	$18,466
August	3,348	108	5.20	17,402

• • •

Crowshore Gold Mines has called a special meeting of shareholders for Nov. 12 in Toronto to secure approval for sale of the company's property to **Pickle Crow Gold Mines.** Under the proposed agreement, Pickle Crow would have up to July 2, 1942, to complete a diamond drilling programme. If results are satisfactory, a new company of 3 million shares capital would be formed. A block of one million shares plus $2,000 would be alloted Crowshore with Pickle Crow receiving 2 millions shares. Pickle Crow would advance funds for development and would take care of treatment of any resulting ore in its mill. Terms of repayment of any advances by Pickle Crow are to be given Crowshore shareholders at their annual meeting.

• • •

Golden Arrow Mines is working on its second drill hole in its current programme.

• • •

Glenadam Porcupine Gold Mining Co. has a crew on the company's property, 1,080 acres, Adams twp., Porcupine area, Ont. The company has an authorized capital of 4,000 shares which it is eventually planned to exchange on the basis of 200 for one in a new 3 millions share company to be formed. A diamond drilling programme is planned in the near future.

• • •

Hard Rock Gold Mines plans to start sinking its No. 2 shaft an additional 1,000 ft. this month. Production in the three months ended Sept. 30, 1941, was a new record at $300,276 including $2,480 the estimated amount from stored concentrates. A total of 85,894 tons of ore were milled during the period and mill heads averaged $9.48 a ton. The new 100-ton quartz mill was placed in operation Aug. 5 and is expected to result in a considerable increase in output.

• • •

Hay-Thompson Syndicate is stated to have started diamond drilling on 17 claims adjoining Kerr-Addison Gold Mines in Larder Lake. Finances are being provided privately.

• • •

Mosher Long Lac Gold Mines shareholders are being offered rights in Lunward Mines, the new company formed to take over the Mosher discovery in the Red Lake district, Ont. Property being taken over by Lunward totals 45 claims. A total of one million of the 3 millions share capital is being issued to vendors and Mosher's share of these is 742,857 shares. Treasury shares are being offered Mosher shareholders on the basis of one Lunward share at 15 cents for each 10 Mosher shares held. The financing group is taking up 300,000 shares at 15 cents.

• • •

Madsen Red Lake Gold Mines showed an increase in production in the September quarter:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept. 30, 1941	36,567	397	$8.84	$323,346
June 30, 1941	36,433	400	8.27	301,373

• • •

McLellan Gold Mines advises that Nov. 1 installment comprising an option on 50,000 shares under its agreement with Haras Corporation of Jan. 16, 1941, has been extended for one month and that all subsequent installments have been similarly extended.

• • •

Naybob Gold Mines will hold its annual meeting in Rochester, N.Y., on Nov. 18.

• • •

Pandora Cadillac Gold Mines advises Nov. 1 installment on 100,000 shares under its agreement with Federal Trading & Agency Co. was not exercised.

• • •

Pamour Porcupine Mines has declared a dividend of six cents a share payable Dec. 1, 1941, to shareholders of record Nov. 15. Production was slightly higher in the September quarter:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept. 30, 1941	139,753	1,519	$4.68	$654,353
June 30, 1941	136,966	....	....	629,510

• • •

Relief-Arlington Mines has called a meeting of shareholders for Nov. 15 to secure shareholders' approval for winding up.

• • •

Reno Gold Mines production is reported at $30,000 for September compared with $36,000 for August and $17,500 in September, 1940.

• • •

Raylartic Prospectors Syndicate. Plans development of its Howey-Desrosier property in Malartic twp., Quebec, north of the main producing sector. Three veins are stated to have been uncovered in surface work carried out some time ago.

• • •

Silbak Premier Mines showed increase in both recovery and operating profits in September:

1941:	Tons milled	Bullion recov.	Est. oper. profit
September	12,919	$133,304	$60,144
August	13,936	128,962	54,491

• • •

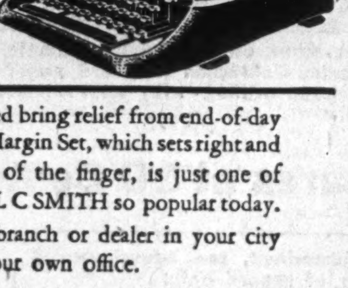
Upper Canada Mines production was at a higher rate in the September quarter:

Period:	Tons milled	Tons daily	Recov. per ton	Total recov.
May & June	12,256	201	$15.52	$190,168
3 mos. to Sept. 30 ..	18,218	198	16.67	303,760

• • •

The Vimac property, next to the Golden Arrow Mines, in the Ramore area, is stated to have been the scene of a new discovery. The latest find is near the west side of the property and close to the boundary with Golden Arrow's property. A field man of one of the large mining companies is stated to have been looking over the new Vimac showing.

...but oh! how she'd *love* the L C SMITH!



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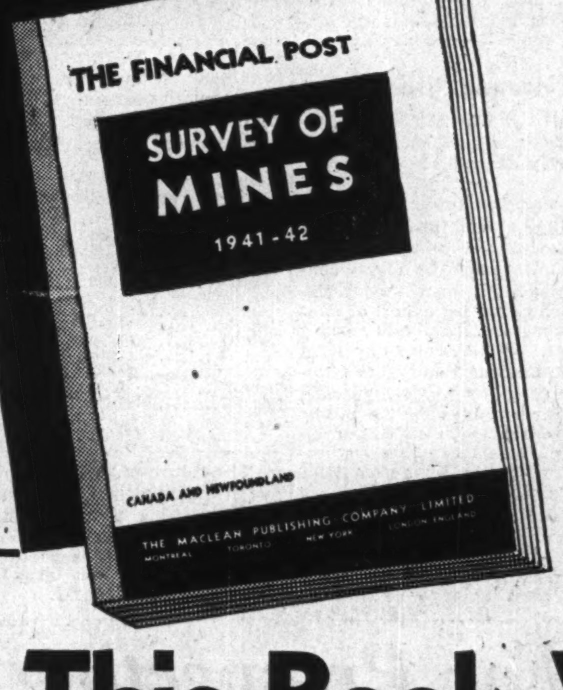

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